

2002 Annual Report

Arkansas Public Service Commission Utilities Division

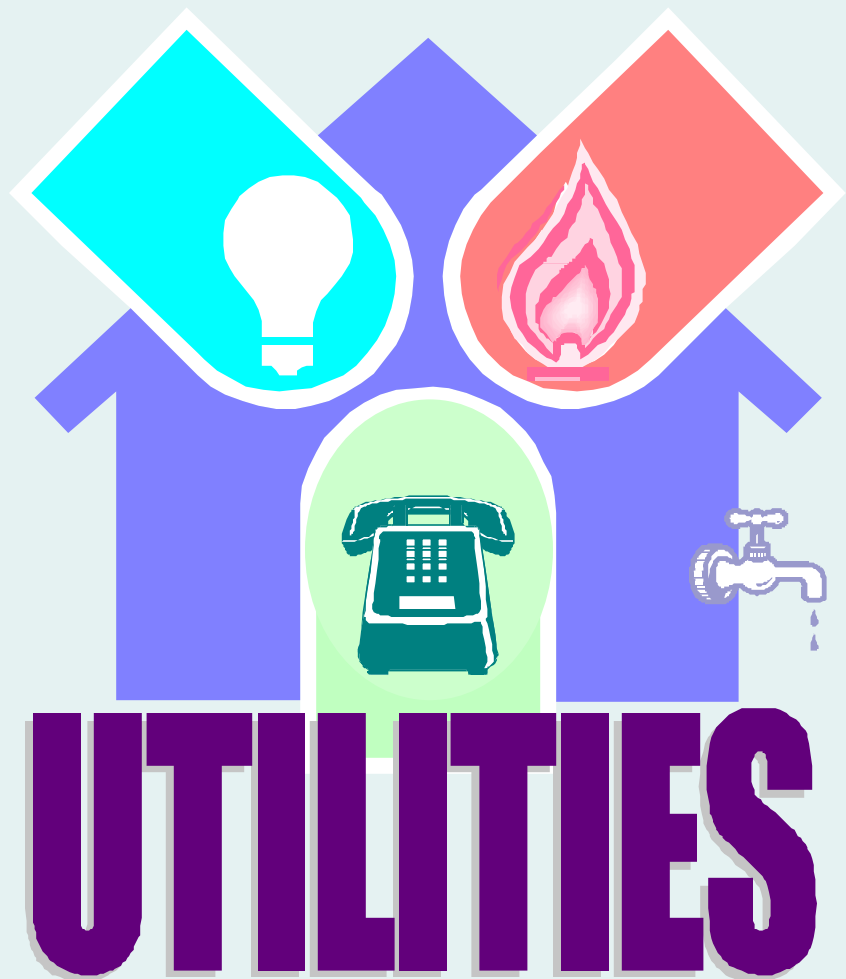


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SECTION 1 - INTRODUCTION

The Arkansas Public Service Commission (Commission or APSC) has general regulatory authority over electric, gas, telecommunications, water and sewer services which are provided to the public for compensation. The Commission is charged with the duty of ensuring that a public utility charges rates that will allow it the opportunity to earn a fair return on invested capital and that the customer does not pay more than necessary to produce a fair return to the utility for its service.

The Commission does not have regulatory authority over municipally-owned or operated utilities. Additionally, the Commission has limited jurisdiction over small water and sewer utilities and most telecommunications utilities. More specifically, small water and sewer utilities are not subject to Commission jurisdiction unless either the utility or its customers petition the Commission to exercise its regulatory jurisdiction over that utility.

In response to the Federal Telecommunications Act of 1996 opening telecommunications markets to competition, the Arkansas Legislature enacted Act 77 of 1977 which significantly altered the regulation of the telecommunications industry in the state. The rates of most of the Incumbent Local Exchange Carriers (ILECs) in the state are not subject to regulation, however the Commission continues to regulate the quality of service of all ILECs and Competitive Local Exchange Carriers. Competitive Local Exchange Carriers and Interexchange Carriers must obtain a Certificate of Public Convenience and Necessity from the Commission to provide service in Arkansas and all telecommunication providers must comply with the *Telecommunications Provider Rules* adopted by the Commission in response to Act 77.

The General Assembly enacted The Electric Utility Regulatory Reform Act of 2003 which provides for the repeal of retail electric competition as originally authorized by Act 1556 of 1999. In addition, Act 204 authorizes the Commission to adopt rules for affiliate

transactions between regulated electric public utilities and their unregulated divisions, components, and affiliates, to provide for recovery of transition costs incurred as part of preparation for retail open access, and to adopt rules for electric utility resource planning. Act 204 also required the Commission to study the feasibility of a large user access program for electric service choice and report to the General Assembly by September 30, 2004.

In compliance with Ark. Code Ann. §23-2-315 (2002 Supp.), the Commission submits an annual report to the Governor during the month of April. This Report focuses on Commission regulatory authority, organization, and activities during 2002. The following sections of this Report describe the agency organization (Section 2); summarize the highlights of Commission proceedings in each of the utility industries (Section 3); describe other non-docketed reviews conducted during 2002 (Section 4); provide information on customer complaint resolution (Section 5); summarize the Commission's efforts in federal utility proceedings (Section 6); and set forth our participation in national utility regulatory organizations (Section 7).

The utilities under the Commission's jurisdiction in 2002 are listed in Appendix A. These utilities generate annual revenues in Arkansas of approximately \$5.7 billion, of which \$4.0 billion are jurisdictional revenues. Details of the revenues for each utility and other utility-specific statistics, as reported to the Commission in 2002 for the year 2001, are included in Appendix B. To finance its regulatory operations, the Commission is authorized to levy and collect an annual fee based proportionally on the gross earnings of each utility. The APSC receipts and disbursements for 2002 are outlined in Appendix C.

This Report is also available on the Commission website www.state.ar.us/psc.

SECTION 2 - AGENCY ORGANIZATION

The APSC consists of three Commissioners appointed by the Governor for overlapping six-year terms. The agency has 114 regular staff positions divided into two Divisions: the Utilities Division and the Tax Division.

The Commissioners have oversight responsibility for both Divisions. This report addresses Utilities Division activities. The Tax Division submits a separate report biennially.

The Utilities Division, including our federally reimbursed Pipeline Safety Office, has 99

authorized regular positions. This total includes the Commissioners and their immediate staff, which encompasses their Administrative Law Judges and Legal Section, Research and Policy Development Section, the Office of the Secretary of the Commission, the Administrative Services Section, the Information Technology Section, and the Executive Director including the seven General Staff Sections. A list of all Sections with their assigned number of positions, the organization chart, and a brief description of the responsibilities of each Section follow.

Position Summary

| <u>Organization Component</u> | <u>Number of Positions</u> |
|---|----------------------------|
| Commissioners | 3 |
| Commissioners' Staff | |
| Administrative Law Judges and Legal | 7 |
| Research and Policy Development | 6 |
| Secretary of the Commission | 6 |
| Administrative Services | 6 |
| Information Technology | 6 |
| Support Staff | 2 |
| General Staff | |
| Executive Director's Office | 3 |
| Competitive Services | |
| Electric Utilities | 8 |
| Telecommunications Utilities | 3 |
| Quality of Service | 3 |
| Gas and Water Utilities | 4 |
| Pipeline Safety | 7 |
| Financial Analysis | 8 |
| Audits | 9 |
| Legal | 8 |
| Customer Services | 10 |
| Total | 99 |

Organization Chart

COMMISSIONERS

Chief Administrative Law Judge

**Administrative Law Judges
and Legal**

**Research and Policy
Development**

**Office of
Secretary of the Commission**

Administrative Services

Information Technology

Executive Director

Rural and Community Liaison

Competitive Services

Electric Utilities

**Telecommunications Utilities and
Quality of Service**

Gas and Water Utilities

Pipeline Safety

Financial Analysis

Audits

Legal

Consumer Services

COMMISSIONERS

With both quasi-legislative and quasi-judicial authority the Commissioners render decisions covering a wide spectrum of issues including policy matters, rates, tariffs, territory allocations, utility plant construction sitings and bond issues.

The Commissioners' Staff, under the direction of the Chief Administrative Law Judge, is comprised of five Sections: (1) the Administrative Law Judges and Legal Section; (2) the Research and Policy Development Section; (3) the Office of the Secretary of the Commission; (4) the Administrative Services Section; and (5) the Information Technology Section. Responsibilities of each Section are described below.

COMMISSIONERS' STAFF

Administrative Law Judges and Legal Section

This Section is comprised of Administrative Law Judges and attorneys. The Administrative Law Judges render decisions in dockets delegated to them by order of the Commission. Attorneys in this Section also advise and represent the Commission on various state and federal legal matters.

Research and Policy Development Section

This Section, under the supervision of the Director of Research and Policy Development, is the technical arm of the Commissioners' Staff, with personnel specializing in the telecommunications, electric, natural gas, and water industries, as well as in economic, legal, and accounting matters. This Section provides technical and policy advice to the Commissioners in both state and federal proceedings and actively participates as expert witnesses before the Federal Energy Regulatory Commission. This Section also presents testimony and/or comments on behalf of the Commission before the Federal Communications Commission and the Securities and Exchange Commission.

Office of the Secretary of the Commission

All documents filed with the Commission and all orders issued by the Commission are processed by this Office. Official Commission records such as docket files, tariffs, and annual reports are also maintained in this area. This Office provides the public with access to official Commission records either directly as requested or through the Commission's Internet web site.

Administrative Services Section

Staff members assigned to the Administrative Services Section provide administrative support for the Utilities Division. This Section is comprised of two units: the Fiscal/Personnel Office and the Mail/Supply/Copy Center.

Fiscal/Personnel staff members prepare initial budgets; handle purchasing, accounting, inventory control and payroll; assist in developing assessments for the APSC's operating budget; and assist with the Federal Department of Transportation Pipeline Safety Grant. Maintaining personnel records, screening and processing job applicants, conducting new employee orientation, and coordinating employee training and management classes are other functions performed by the Fiscal/Personnel Office.

The Mail/Supply/Copy Center handles internal mail distribution, photocopying, central supplies, and maintenance of the agency vehicle fleet.

Information Technology Section (IT)

IT is the agent for implementing technology solutions to further Commission initiatives. IT supports the entire agency. The primary missions of IT are personal computer and network operations for general office functions such as office automation, electronic mail, internet research, file and print sharing; system development and maintenance for the Tax Division tax assessment systems; and Commission operations support including enhancing electronic communication with external parties and citizens.

GENERAL STAFF

Office of the Executive Director

The Executive Director is responsible for the overall management of the General Staff of the Utilities Division. Staff members in the Utilities Division perform a wide variety of responsibilities which are accomplished through the seven Sections described below. In addition to the members of these seven Sections, the Rural and Community Liaison position also reports to the Executive Director. The liaison is actively involved in community outreach and educational programs for community, business, and customer groups across the State.

Competitive Services

Competitive Services monitors and evaluates competitive issues and policies as they relate to the electric and telecommunications industries. Staff members in the Electric Utility Section and the Telecommunications and Quality of Service Section provide analytical and technical support in this effort. This group is involved in evaluating the impact of FCC and FERC initiatives and decisions on Arkansas utilities' policies, rates, service reliability, and quality of service and providing information to the Commission regarding the costs and benefits of implementing such federal regulatory commission initiatives. In addition, Staff members are responsible for developing regulations and guidelines necessary to implement state and federal legislative mandates.

Electric Utilities Section

The Electric Utilities Section monitors the activities, operations, costs, and earnings of the four investor-owned and eighteen rural electric cooperatives under the Commission's jurisdiction. Section responsibilities cover all aspects of utility regulation and include determination of revenue requirement, rate design, accounting and finance. Each member of the Section identifies issues, analyzes the impact of those issues on the utility

and the ratepayer, and develops and presents expert testimony before the Commission. The Section also conducts compliance audits for utilities with approved automatic adjustment clauses. Members of this Section perform special project analyses, conduct general and special issue audits and investigations, and provide technical evaluations relating to customer complaints.

Telecommunications Utilities and Quality of Service Section

The Telecommunications and Quality of Service Section is responsible for certification, rate, financial, accounting, technical, and quality of service matters specific to the telecommunications industry and is responsible for power line construction certification, technical, and quality of service matters specific to the electric industry.

Staff members interact with both investor-owned and cooperative electric utilities, local exchange carriers, interexchange carriers, pay telephone service providers and the public. That interaction is necessary to be responsive to changes in the industries, introduction of new services, effects of federal regulatory actions and questions and service problems of the public. This Section conducts an ongoing evaluation of the quality of service provided by both electric utilities and local exchange carriers in Arkansas. That evaluation measures the utilities' performance against the Commission's *General Service Rules* and *Special Rules - Electric* and the carriers' performance against the Commission's *Telecommunications Providers Rules* and is administrated to ensure that each utility and carrier is evaluated at least once every two years.

Natural Gas and Water Utilities Section

The Natural Gas and Water Utilities Section has two distinct functions. Natural Gas and Water Staff members primarily focus on financial and rate matters concerning natural gas, water and sewer utilities. They must understand and evaluate the complex rate structures and the earnings requirements of the three natural gas utilities, four water utilities, and two sewer utilities currently under the Commission's jurisdiction. They also conduct

compliance audits for utilities with approved automatic adjustment clauses.

This Section also contains the Pipeline Safety Office. The role of the Pipeline Safety Office members is to ensure that natural gas operators are in compliance with the *Arkansas Gas Pipeline Code*. Compliance is determined through periodic inspections of safety, corrosion, and leakage control which are performed on 22 intra-state natural gas operators and 199 operators covering 357 master-metered gas systems.

Financial Analysis Section

The Financial Analysis Section performs various financial and economic analyses, evaluates depreciation rates and capital recovery issues, assesses the required rate of return and other financing issues for jurisdictional utilities, participates in all rate case proceedings and reviews of earnings levels, conducts focused investigations, and develops Staff's position on various regulatory issues, including nuclear decommissioning and mergers. Staff personnel specialize in utility industries as well as economic, financial, and accounting matters. Each member of the Section presents recommendations to the Commission through pre-filed expert testimony, oral testimony, and cross-examinations during public hearings.

Audits Section

The Audits Section participates in all rate case proceedings. Section staff members conduct extensive reviews, audits, and analyses of rate case applications; conduct ongoing reviews of the earnings levels of public utilities; evaluate transactions between regulated utility companies and their affiliates; and conduct compliance audits.

Legal Section

Attorneys on the General Staff perform a dual function at the Commission. They represent the Staff in proceedings before the Commission and represent the Commission in matters and proceedings outside the Commission, such as appellate cases and appearances before federal regulatory commissions. Additionally, Legal Section attorneys act as Commission hearing officers in certain designated dockets.

Consumer Services Section

The Consumer Services Section works with customers to answer questions and resolve complaints about the rates and services of regulated utilities. Staff members review all complaints for compliance with APSC rules and approved utility tariffs and act as liaisons with utilities in resolving those complaints. This Section also provides educational brochures and materials and makes group presentations as needed.

Another responsibility of the Consumer Services Section is customer service audits of jurisdictional utility companies. The audits consist of a thorough review of utility policies and procedures. The objective is the identification of opportunities for improvement, and recommendations are often made to ensure compliance with Commission Rules.

Rural and Community Liaison

The Rural and Community Liaison serves as a communications link between the Commission and utility customers in Arkansas, particularly those in rural areas. The Liaison is responsible for providing information to communities and utility customers concerning utility matters within the jurisdiction of the Commission. The Liaison is also responsible for identifying questions and concerns that utility customers may have concerning utility issues and communicating those

concerns to the Commissioners and the Commission Staff. The Liaison works with stakeholders in rural areas and communities, including legislators, civic and community leaders, customers and customer groups, and utility personnel.

During the past year, the Liaison has met with numerous civic and community organizations, legislators and rural utility customers throughout the State regarding utility matters and issues pending before the Commission. The Commissioners and the Executive Director have also participated in this community outreach effort visiting with community leaders throughout the State. The Commissioners' outreach efforts within the past year have taken the Commissioners and/or their representatives into over 93 communities in 75 counties. Through these efforts, the Commissioners and Staff continue to gain a better understanding of customers' needs and what type of information is necessary to provide answers to their utility questions and concerns.

SECTION 3 - DOCKET SUMMARY & HIGHLIGHTS

As shown in the tables below, 248 new dockets were initiated during 2002 and 802 orders issued. Highlights of the significant proceedings for each industry during 2002 follow.

2002 Docket Activity Summary

| | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sept. | Oct. | Nov. | Dec. | Total |
|--------------|------|------|------|------|-----|------|------|------|-------|------|------|------|-------|
| New Dockets | 23 | 12 | 23 | 23 | 18 | 17 | 22 | 34 | 22 | 22 | 20 | 12 | 248 |
| Filings | 337 | 185 | 292 | 331 | 284 | 254 | 357 | 361 | 407 | 285 | 218 | 184 | 3,495 |
| Hearings | 0 | 2 | 1 | 7 | 1 | 4 | 6 | 0 | 6 | 1 | 1 | 3 | 32 |
| Hearing Days | 0 | 2 | 1 | 7 | 1 | 4 | 9 | 0 | 6 | 1 | 1 | 3 | 35 |
| Total | 360 | 201 | 317 | 368 | 304 | 279 | 394 | 395 | 441 | 309 | 240 | 202 | 3,810 |

Summary Schedule of Orders Issued In 2002

| Order Type | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sept. | Oct. | Nov. | Dec. | Total |
|------------|------|------|------|------|-----|------|------|------|-------|------|------|------|-------|
| Electric | 20 | 6 | 10 | 15 | 5 | 6 | 13 | 8 | 25 | 9 | 15 | 10 | 142 |
| Gas | 10 | 3 | 3 | 10 | 4 | 4 | 5 | 7 | 6 | 8 | 3 | 4 | 67 |
| Telephone | 153 | 28 | 41 | 39 | 27 | 30 | 41 | 45 | 37 | 54 | 30 | 30 | 555 |
| Water | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 2 | 1 | 0 | 4 |
| Sewer | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| Other | 4 | 2 | 0 | 0 | 0 | 0 | 3 | 6 | 12 | 4 | 1 | 1 | 33 |
| Total | 187 | 39 | 54 | 64 | 36 | 40 | 62 | 66 | 81 | 78 | 50 | 45 | 802 |

Industry Highlights

Electric Industry

In December 2001, the Commission recommended in its *Report to the General Assembly Pursuant to Act 324 on the Development of a Competitive Electric Market and Possible Impact on Consumers*, that the General Assembly consider either a complete suspension of Act 1556 of 1999, as amended by Act 324 of 2001, for a considerable period of time, perhaps going out to 2010 or 2012, or repeal of the statute. In light of the Commission's recommendations and to minimize any further restructuring expenditures incurred by the utilities, all significant activity regarding retail open access was suspended during 2002. In February 2003, the General Assembly enacted The Electric Utility Regulatory Reform Act of 2003 which provides for the repeal of retail electric competition as originally authorized by Act 1556 of 1999.

At the wholesale level, however, restructuring of the electric markets that began in 1992 when Congress enacted Title VII of the Energy Policy Act to encourage competitive wholesale generation and provide greater access to the regional transmission grid has continued. On December 20, 2000, FERC issued Order No. 2000 which encouraged transmission-owning utilities to join a regional transmission organization (RTO) and transfer operation of their transmission facilities to an independent transmission operator subject to Federal rather than State jurisdiction. In response to FERC Order 2000, the Commission directed transmission-owning electric utilities to conduct an analysis of the costs and benefits to Arkansas retail ratepayers of transferring operation and control of their transmission facilities to a RTO. In 2002, Entergy Arkansas, Inc. (Entergy), Southwestern Electric Power Company (SWEPCO), and Oklahoma Gas and Electric Company (OG&E) filed cost-benefit studies analyzing the impacts that RTO operation of the transmission system would have on rates, reliability, and availability of utility transmission service.

The Arkansas General Assembly enacted the Arkansas Renewable Energy Development Act of 2001 which provided that electric utilities offer net metering service. Net metering service allows a customer to net his on-site generation of electricity against the electricity supplied by the electric utility. In 2002, the Commission approved net metering rules establishing the rates, terms, and conditions for net metering service.

In December 2000, the State of Arkansas was hit by two separate winter storms. Both storms caused extensive damage to the distribution and transmission facilities of jurisdictional electric utilities. In 2001, Entergy filed an Application for Approval of Storm Recovery Rider and an Application for Approval to Use the Transition Cost Account (TCA) Funds to Pay for the Ice Storm Costs. In 2002, the Commission approved a settlement agreement allowing Entergy to utilize the TCA funds to recover its extraordinary storm damage costs while insulating ratepayers from any immediate rate impact and minimizing any future rate impact associated with Entergy's storm costs. The agreement also prohibited Entergy from requesting an increase in its base rates until at least November 2003. Lastly, the agreement provided for the termination of the TCA procedures.

In June 2001, the Nuclear Regulatory Commission (NRC) granted Entergy's request to extend the license for its Arkansas Nuclear One (ANO) Unit 1 for twenty years. Entergy has stated its intention to also seek license extension for ANO Unit 2 in September 2003. The Commission suspended the collection of decommissioning funds effective January 1, 2000 and annually reviews the status of license extension and the continued adequacy of the decommissioning trust funds. In February 2002, the Commission ordered a 50% equity allocation target for the trust funds with no automatic re-balancing requirements. In April 2002, Entergy was granted approval to rebalance the ANO Unit 2 funds and moved \$11 million from fixed assets to equity funds. As of December 31, 2002, the amounts collected and held in external trusts had a market value of \$327 million.

Effective July 1, 2002, Entergy's wholesale contract with the City of North Little Rock, with a load in excess of 200 MW, was terminated. In order to assess the effects, if any, that the disposition of the capacity associated with the City of North Little Rock's load could have on Arkansas retail ratepayers, the Commission ordered Entergy to file an analysis and supporting testimony addressing all of the options available for the disposition of this capacity. Entergy filed an analysis, and Staff's subsequent review revealed the need for supplemental exhibits and testimony. The activity in this docket is currently suspended pending the filing of supplemental information by Entergy.

In December 2002, Entergy notified the Commission of its intent to file a Petition for a Declaratory Order Approving the Replacement of the Steam Generator and Reactor Vessel Closure Head at Arkansas Nuclear One (ANO 1). The petition was filed by Entergy in January 2003 and this docket is currently pending before the Commission.

Act 821 of 1987 generally allows an electric distribution cooperative to implement rate increases of ten percent or less after giving 90 days notice to its customers and the Commission. During 2002, Farmers Electric Cooperative Corporation and South Central Arkansas Electric Cooperative notified the Commission of their intent to increase rates and following the 90-day notification period implemented rate increases of approximately \$257,000 and \$597,000, respectively.

Gas Industry

Two significant policy dockets impacted the three natural gas utilities in Arkansas: Arkansas Oklahoma Gas Corporation (AOG), Arkansas Western Gas Company's Northwest Arkansas Region (AWG) and its Northeast Arkansas Region (ANG), and CenterPoint Energy Arkla, a division of CenterPoint Energy Resources Corp. (Arkla). The proceedings addressed a Temporary Low Income Customer Gas Recommendation Policy (TLICGRP) and a Notice of Inquiry (NOI).

In 2001, there were approximately 29,500 homes disconnected from natural gas service for

non-payment and another 7,549 were scheduled for disconnection for past due gas bills. The Commission, recognizing this, opened a docket to consider a TLICGRP. The Commission stated that it was in the public interest for a program to be developed to help low income families in Arkansas have natural gas service reconnected before the onset of cold winter weather. In 2002, Arkansas Gas Consumers, Inc. appealed the TLICGRP and a decision is expected in 2003.

Also in 2001, the Commission initiated an NOI in response to the significant increase in the market price utilities pay to purchase natural gas which is then sold to their customers. The Commission believed it was important to explore alternative purchasing and regulatory mechanisms that could alleviate the impact of high gas prices on consumers. Through the NOI, the Commission gathered information about utility hedging programs; hedging program procedures; financial accounting and report procedures; fixed gas pricing options; and other issues. The Commission issued its Policy Principles for Gas Procurement Plans of Utilities. Following the issuance of the Policy Principles, the Commission initiated the rulemaking phase of the NOI to develop proposed rules based on the Policy Principles. In 2002, after submission of written comments and a public hearing, the Commission issued its natural Gas Procurement Plan Rules. Also, the cost of gas adjustment clauses of all the gas utilities were modified to better project future gas purchase costs and to reduce the volatility of customers bills.

During 2001, Arkla filed an application to increase its rates by \$47,300,000. Following its investigation, Staff filed written testimony and exhibits containing its recommendation. The parties entered into settlement discussions and reached a unanimous agreement on the amount of the rate increase, approximately \$31,800,000, and the other issues associated with the proceeding. A public hearing was held to consider the settlement. The Commission approved the settlement and the new rates became effective in September 2002.

During 2002, AOG filed an application for a rate increase of approximately \$7,200,000. After its investigation, Staff filed written testimony and exhibits containing its recommendation. A public

comment hearing was held in Fort Smith which gave AOG's customers an opportunity to comment on the proposed rate increase and other matters. A settlement resulted in a rate increase of approximately \$1,800,000 which is approximately \$5,400,000 less than AOG originally requested. New rates became effective December 12, 2002. The Attorney General filed an appeal in March 2003.

In late 2002, AWG filed an application for a rate increase of approximately \$11,000,000. Staff is currently investigating the application and will file written testimony and exhibits containing its recommendations in accordance with a procedural schedule established by the Commission. Public comment hearings are scheduled for Fayetteville and Piggott. AWG has also requested approval to construct, operate, and maintain a natural gas pipeline in Washington County. AWG stated the pipeline was needed to meet existing and future growth in northwest Arkansas, to receive gas purchased from off-system gas supplies, and to provide reliable access to interstate gas markets to supplement AWG's system supply with competitive gas supply options.

In 2002, Staff and Arkla filed a settlement regarding certain pipeline safety matters. The settlement calls for Arkla to pay a civil penalty of \$250,000 and to forgo recovery in retail rates of approximately \$2,700,000 in computer equipment and replaced pipelines.

Telecommunications Industry

Of the 248 new dockets filed with the Commission in 2002, 153 were telecommunications cases. The number of competitive local exchange carriers (CLECs) continued to grow. Thirteen entities filed applications for authority to operate as CLECs and 18 were authorized. The number of authorized CLECs, at 111, exceeds the number of incumbent local exchange carriers (ILECs) at 30.

CLECs continued to expand their operating areas. While most CLECs operate in the territory of Southwestern Bell Telephone, L.P., at least 31 CLECs have approved interconnection agreements

to operate in the territories of the two largest CenturyTel ILECs, and 47 CLECs have approved interconnection agreements to operate in the territories of 14 rural ILECs.

Fifty-eight new interconnection agreements became effective. This includes 27 CLECs adopting Southwestern Bell's A2A 271 Interconnection Agreement. T-Mobile USA, Inc. requested the Commission to arbitrate the development of an interconnection agreement with Southwestern Bell Telephone, L.P.

Yell County Telephone Company requested and was granted a waiver of certain Telecommunications Providers Rules so that it could provide prepaid local service. The service allows certain economically disadvantaged customers to continue to receive service and allows the ILEC to provide a service that directly competes with some CLEC services. Yell County is the seventh ILEC to be granted a waiver in the provision of prepaid service and twelve CLECs have been granted similar waivers.

The 501 Numbering Plan Area or Area Code (NPA) was projected to exhaust central office codes by late 2002. To address this concern, the 479 NPA replaced the 501 NPA in the northwest and west central portions of the State. Optional dialing of the 479 NPA started in January 2002, become mandatory in July 2002, and the 501 NPA was relieved in September 2002.

Traditionally, central office codes have been provided to telecommunications providers in 10,000 number blocks. The introduction of number pooling will slowly allow for the allocation of telephone numbers in blocks of 1,000 and extend the life of an NPA. During 2002 the telecommunications industry, in accordance with Federal Communications Commission regulations, initiated the process necessary to start number pooling in the 479 and 501 NPAs in April 2003. Number pooling is projected to start in the 870 NPA at the end of 2003. The 870, 501, and 479 NPAs are currently projected to exhaust in the third quarter of 2006, 2009, and 2023, respectively.

Act 1769 of 2001 required the Commission to establish calling plans in telephone exchanges. The Commission adopted the Rural Saver Optional Saver Plan (RSOCP) jointly

proposed by ILECs, the Attorney General, and the Staff. The RSOCP is a discounted residential calling plan providing 60 minutes of intraLATA calling to a customer's county seat and other exchanges within 41 miles. The plan was generally available in June 2002 and by October 2002 was being offered to customers in all 280 exchanges with no more than 2,600 total access lines. There were 4,603 subscribers to the plan at the end of 2002. Six ILECs that offer prepaid local service requested and were granted an exemption from offering the RSOCP to prepaid service customers. Such customers are generally required to use prepaid long distance calling cards and are not offered direct dialed long distance service.

Act 1771 of 2001 requires the Commission to establish a grant program for the extension of facilities to persons unserved by the wireline services of an eligible telecommunications carrier. The Commission adopted the program jointly proposed by a majority of the ILECs and Staff. Grants totaling \$190,108 were disbursed to serve 23 applicants.

Southwestern Bell filed a complaint against Connect Communications Corporation alleging that Connect was creating artificial traffic for the purpose of increasing reciprocal compensation payments from Southwestern Bell. The hearing was held and Post Hearing Briefs filed in 2002.

Navigator Telecommunications, LLC filed a complaint against Southwestern Bell alleging improper use of nonrecurring charges and use of excessive nonrecurring charges as Navigator obtains unbundled network elements from Southwestern Bell to provide service to their customers. After hearing the Commission ruled that nonrecurring UNE charges to convert a customer from resale to UNE-P would be allowed, the two-wire cross-connects would be rebilled at a mutually agreeable rate, and the MFN issue would be submitted to informal dispute resolution before being addressed by the APSC. Petitions for rehearing were filed in late 2002 by SWB and Navigator.

The CCN of Connection One Communications Corporation was revoked for

discontinuing service to all customers without notice to customers or the Commission.

A docket was initiated to address the 41 telecommunications providers with delinquent payments of AUSF assessed contributions. This case involved 13 competitive local exchange carriers, 24 interexchange carriers, three private pay telephone service providers (PPTS) and one non-certified entity. The Commission revoked certificates of three providers and 27 providers made the required payment or their certificate was revoked in another docket. The Commission will consider the status of the remaining eleven providers in early 2003.

A docket was initiated to address the twelve communications providers with delinquent reports or payments to the AICCLP. Three telecommunications providers have settled with the AICCLP, CCNs were revoked in the case of five providers, and the Commission will consider the status of the remaining four providers in early 2003.

A docket was initiated to address the 92 telecommunications providers that failed to appropriately file annual reports to the Commission. Forty-nine telecommunications providers filed the required report and the Commission revoked the certificates of 43 providers. Three telecommunications providers that were ordered to pay a civil sanction had not done so by year end and remain subject to further Commission action.

Water & Sewer Industry

Rivera Utilities of Arkansas filed an application for a \$109,851 rate increase. After conducting its investigation, Staff filed its findings and recommendations. Riviera and Staff then entered into settlement discussions that resulted in a recommended \$25,756 rate increase. The Commission approved the settlement and new rates went into effect in November 2002.

The Commission also granted the petition of Central Arkansas Sewer System to surrender its Certificate of Convenience and Necessity and

notifying the Commission that its property had been purchased by the City of Sherwood.

Water and sewer companies with revenues of \$150,000 per year are not regulated by the APSC.

SECTION 4 - COMMISSION REVIEW OF UTILITY OPERATIONS

In addition to performing investigations in conjunction with dockets initiated at the Commission, General Staff conducts ongoing investigations of natural gas pipeline safety, utility quality of service, and the use of automatic recovery mechanisms, as outlined below.

Electric Quality of Service Reviews

Staff members perform quality of service inspections of the electric cooperatives and investor-owned utilities to ensure compliance with the Commission's *General Service Rules* and its *Special Rules - Electric*. Quality of service is measured against the standards established by the Commission in those rules. The standards cover items such as the acceptable range of secondary voltages provided to customers, the minimization of electrical conductive and inductive effects, and the mapping and maintenance of transmission and distribution facilities including pole identification, right-of-way clearing and substation record keeping. Staff members also examine complaint and outage records, meter testing facilities and utility equipment.

In 2002, twelve quality of service reviews were conducted on nine electric cooperatives and three investor-owned utilities.

Gas Pipeline Safety Inspections

Pursuant to an agreement with the U. S. Department of Transportation and the authority granted by the Arkansas Natural Gas Pipeline Safety Act of 1971, the Commission's Pipeline Safety Office inspected numerous intrastate natural gas operators and master metered gas systems for quality control of operating safety, gas leakage, and the control of corrosion. The inspections evaluate gas operators' compliance with the *Arkansas Gas Pipeline Code*. Accidents related to natural gas

are investigated and reports are prepared to ensure compliance with all Commission standards of quality and safety. During 2002, Pipeline Safety Staff performed 34 pipeline safety inspections and 150 inspections of master metered systems. Corrections of reported deficiencies are monitored until they are completed. In addition to required inspections, Pipeline Safety Staff provide technical assistance by investigating customer complaints of inadequate service quality.

Telecommunications Quality of Service Reviews

Staff conducts ongoing evaluations of the quality of service provided by both incumbent and competitive local exchange carriers in Arkansas. The Commission's *Telecommunication Providers Rules* establish standards in areas which include: (1) noise and loss associated with customer lines and network circuits; (2) capacity and operations of switching machines; (3) methods and quality of new construction; (4) responses to requests for service connection; (5) restoration of service; and (6) general maintenance of facilities. An evaluation of each company is conducted at least once every two years to compare their performance against these standards.

During 2002, quality of service reviews were conducted in 78 exchange areas of 14 incumbent local exchange carriers and in areas served by nine competing local exchange carrier. Staff members reviewed maintenance programs and conducted service tests and inspections of both central office and outside plant operations, and of transmission quality. Where deficiencies were found, each company submitted corrective action reports to correct the noted problems. Follow-up reviews were conducted as required to ensure that the problems were corrected and that performance was improved.

Compliance Audits

Under the authority of Ark. Code Ann. §23-4-108, public utilities apply Commission-approved automatic adjustment clauses to certain charges collected from ratepayers. Electric and gas utilities currently apply automatic adjustments to the charges recovered from their ratepayers for the cost of fuel, electric distribution cooperatives for cost of debt, and water utilities for cost of pumping.

The General Staff's audit procedures ensure that the adjustment amounts and their recovery are in compliance with the utilities' tariffs as approved by the Commission. The audit procedures meet the requirements of Section 115 (e) of the Public Utility Regulatory Policies Act (PURPA) of 1978, which requires that automatic adjustment clauses be reviewed "not less than every two years". In addition to the biennial review required by PURPA, the General Staff conducts monthly and quarterly desk audits of all cost of fuel, cost of debt, and cost of pumping water adjustments.

During 2002, the General Staff completed 276 monthly and quarterly desk audits and conducted one biennial review of a gas automatic adjustment mechanism.

Section 5 - Consumer Services

Informal Customer Complaints and Inquiries

During 2002, 25,398 Arkansas customers contacted Consumer Services regarding utility issues. Of the 25,398 contacts, 5,383, or 22%, were classified as informal complaints. Twenty-four (24%) percent of the contacts were customers requesting information or referral to another agency. Referrals to utilities, 19% of the contacts, were made consistent with the requirement of Ark. Code Ann. §23-3-119, which provides that “every complainant shall, before filing a complaint, make a good faith effort to informally resolve with the respondent the situation complained of.”

Although complaints represent only 22% of all contacts through Consumer Services, they require significant amounts of time and resources. Complaints involve numerous contacts with utility personnel and General Staff members, as well as extensive research to ensure compliance with Commission rules and approved tariffs. Many also require additional technical analysis, field investigation, and written reports. Billing complaints continue to make up the greatest portion of complaints for each industry, followed by complaints regarding obtaining service and service quality.

Formal Complaints

In 2002, two formal complaints were filed with the Commission by customers regarding gas companies. One of these complaints was dismissed because the complainant did not appear at the Commission hearing on the issues of the complaint. The other formal complaint is pending before the Commission.

Also in 2002, one telephone utility filed a formal complaint against another telephone utility. The issue was resolved among the parties prior to the Commission hearing and the complaint was dismissed.

Consumer Services Review of Compliance with APSC General Service Rules and Telecommunications Providers Rules

Compliance inspections regarding specific issues were performed on two electric and two gas utilities. These inspections resulted in corrective action being taken by the utilities in response to the findings made by Staff.

Other Dockets

In 2002, Consumer Services participated in five other proceedings that came before the Commission. These proceedings involved changes in utility fees, charges, procedures, and ratemaking proceedings.

Customer Complaint Summary By Industry

The following tables provide the total written and verbal complaints by type and by industry:

Year Ended December 31, 2002

Written Complaints

| Type | Telephone | Electric | Gas | Water | Other | Total |
|-------------------|-----------|----------|-----|-------|-------|-------|
| Billing | 126 | 40 | 72 | 6 | 0 | 244 |
| Service Quality | 38 | 6 | 2 | 0 | 0 | 46 |
| Service Requests | 9 | 3 | 4 | 2 | 0 | 18 |
| Slam | 35 | 0 | 0 | 0 | 0 | 35 |
| NonJurisdictional | 11 | 4 | 2 | 0 | 1 | 18 |
| Miscellaneous | 5 | 0 | 0 | 0 | 7 | 12 |
| Total | 224 | 53 | 80 | 8 | 8 | 373 |

Verbal Complaints

| Type | Telephone | Electric | Gas | Water | Other | Total |
|-------------------------|-----------|----------|-------|-------|-------|-------|
| Billing | 1,032 | 688 | 1,174 | 28 | 0 | 2,922 |
| Service Quality | 291 | 101 | 62 | 5 | 0 | 459 |
| Service Requests | 225 | 116 | 179 | 3 | 0 | 523 |
| Slam | 1,095 | 0 | 0 | 0 | 0 | 1,095 |
| NonJurisdictional | 44 | 16 | 23 | 1 | 0 | 84 |
| Miscellaneous | 11 | 13 | 1 | 0 | 2 | 27 |
| Total | 2,698 | 934 | 1,439 | 37 | 2 | 5,110 |
| Total Complaints | 2,922 | 987 | 1,519 | 45 | 10 | 5,483 |

2002 Electric Industry Complaints

| Electric Utility | Arkansas Customers | Complaints To APSC | Company Action Correct | Company Action Incorrect | Company Action Modified | Misc. | Complaints Per 1000 Customers |
|-------------------------------------|-------------------------------|-------------------------------|---------------------------------------|---|--|--------------|--|
| Arkansas Electric Coop. Corp. | 18 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Ark. Valley Electric Coop. Corp. | 45,802 | 35 | 14 | 1 | 19 | 1 | 0.76 |
| Ashley-Chicot Electric Coop. | 5,136 | 1 | 1 | 0 | 0 | 0 | 0.19 |
| C & L Electric Coop. Corp. | 20,330 | 20 | 11 | 3 | 6 | 0 | 0.98 |
| Carroll Electric Coop. Corp. | 56,994 | 11 | 6 | 1 | 3 | 1 | 0.19 |
| Clay County Electric Coop. Corp. | 12,303 | 12 | 7 | 1 | 2 | 2 | 0.98 |
| Craighead Electric Coop. Corp. | 26,257 | 14 | 8 | 1 | 4 | 1 | 0.53 |
| Empire District Electric Co. | 3,777 | 3 | 3 | 0 | 0 | 0 | 0.79 |
| Entergy Arkansas, Inc. | 648,200 | 593 | 289 | 68 | 214 | 22 | 0.91 |
| Farmers Electric Coop. Corp. | 5,242 | 3 | 2 | 1 | 0 | 0 | 0.57 |
| First Electric Coop. Corp. | 68,675 | 77 | 38 | 9 | 28 | 2 | 1.12 |
| Mississippi County Electric Coop. | 4,324 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| North Ark. Electric Coop. | 31,535 | 9 | 5 | 1 | 2 | 1 | 0.29 |
| Oklahoma Gas & Electric | 60,435 | 58 | 36 | 11 | 8 | 3 | 0.96 |
| Ouachita Electric Coop. Corp. | 9,302 | 2 | 0 | 2 | 0 | 0 | 0.22 |
| Ozarks Electric Coop. Corp. | 40,515 | 22 | 14 | 5 | 2 | 1 | 0.54 |
| Petit Jean Electric Coop. Corp. | 17,653 | 7 | 5 | 0 | 2 | 0 | 0.40 |
| Rich Mountain Electric Coop. | 7,278 | 1 | 1 | 0 | 0 | 0 | 0.14 |
| South Central Ark. Electric Coop. | 9,483 | 3 | 2 | 0 | 1 | 0 | 0.32 |
| Southwest Ark. Electric Coop. Corp. | 23,895 | 12 | 10 | 0 | 2 | 0 | 0.50 |
| Southwestern Electric Power Co. | 101,428 | 101 | 48 | 21 | 24 | 8 | 1.00 |
| Woodruff Electric Coop. Corp. | 18,529 | 3 | 1 | 0 | 2 | 0 | 0.16 |
| TOTALS | 1,217,111 | 987 | 501 | 125 | 319 | 42 | N/A |

2002 Gas Industry Complaints

| Company | Arkansas Customers | Complaints To APSC | Company Action Correct | Company Action Incorrect | Company Action Modified | Misc. | Complaints Per 1000 Customers |
|--|-------------------------------|-------------------------------|---------------------------------------|---|--|--------------|--|
| Arkansas Oklahoma Gas Corp. | 47,016 | 106 | 76 | 7 | 16 | 7 | 2.25 |
| Arkansas Western Gas Co. (Northwest and Northeast Ark. Regions) | 133,998 | 41 | 21 | 6 | 9 | 5 | 0.31 |
| Centerpoint Energy Arkla, a division Centerpoint Energy Resources Corp. | 439,423 | 1,372 | 759 | 155 | 428 | 30 | 3.12 |
| TOTALS | 620,437 | 1,519 | 856 | 168 | 453 | 42 | N/A |

2002 Water and Sewer Industry Complaints

| Company | Arkansas Customers | Complaints To APSC | Company Action Correct | Company Action Incorrect | Company Action Modified | Misc. | Complaints Per 1000 Customers |
|-----------------------------------|-------------------------------|-------------------------------|---------------------------------------|---|--|--------------|--|
| Central Ark. Sewer Systems | 1,329 | 1 | 1 | 0 | 0 | 0 | 0.75 |
| Riviera Utilities of Arkansas | 1,991 | 4 | 3 | 0 | 0 | 1 | 2.01 |
| Sebastian Lake Public Utility Co. | 90 | 1 | 1 | 0 | 0 | 0 | 11.11 |
| Shumaker Public Service Corp. | 585 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| United Water Arkansas | 19,036 | 39 | 29 | 2 | 7 | 1 | 2.05 |
| TOTALS | 23,031 | 45 | 34 | 2 | 7 | 2 | N/A |

2002 Telephone Industry - Incumbent Local Exchange Carriers (ILEC) Complaints

| ILEC Company | Arkansas Access Lines * | Complaints To APSC | Company Action Correct | Company Action Incorrect | Company Action Modified | Misc. | Complaints Per 1000 Customers |
|---|-------------------------------|-----------------------|------------------------------|--------------------------------|-------------------------------|-----------|-------------------------------------|
| Alltel Arkansas, Inc. | 97,776 | 52 | 18 | 13 | 19 | 2 | 0.53 |
| Ark. Telephone Co., Inc. | 88,552 | 4 | 2 | 1 | 1 | 0 | 0.05 |
| Central Ark. Telephone Coop., Inc. | 3,346 | 3 | 2 | 1 | 0 | 0 | 0.90 |
| CenturyTel ** | 261,914 | 544 | 193 | 164 | 163 | 24 | 2.08 |
| Cleveland County Telephone Co., Inc. | 3,742 | 4 | 3 | 1 | 0 | 0 | 1.07 |
| Decatur Telephone Co., Inc. | 1,363 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| E. Ritter Telephone Co. dba Ritter Telephone Company | 5,018 | 2 | 0 | 1 | 1 | 0 | 0.40 |
| Lavaca Telephone Co. Inc. dba Pinnacle Communications | 1,841 | 1 | 1 | 0 | 0 | 0 | 0.54 |
| Madison County Telephone Co. | 3,711 | 4 | 3 | 0 | 0 | 1 | 1.08 |
| Magazine Telephone Co. | 1,069 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Mountain View Telephone Co. | 7,405 | 2 | 1 | 0 | 1 | 0 | 0.27 |
| Northern Ark. Telephone Co., Inc. | 7,726 | 12 | 7 | 3 | 2 | 0 | 1.55 |
| Ozark Telephone Co. of Missouri | 123 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Prairie Grove Telephone Co. | 9,734 | 2 | 1 | 0 | 1 | 0 | 0.21 |
| Rice Belt Telephone Co., Inc. | 1,086 | 1 | 0 | 0 | 1 | 0 | 0.92 |
| Scott County Telephone Co., Inc. | 116 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| South Ark. Telephone Co., Inc. | 4,142 | 1 | 1 | 0 | 0 | 0 | 0.24 |
| Southwest Ark. Telephone Coop., Inc. | 5,818 | 1 | 1 | 0 | 0 | 0 | 0.17 |
| Southwestern Bell Telephone Co. | 906,548 | 510 | 248 | 126 | 115 | 21 | 0.56 |
| Tri-County Telephone Co., Inc. | 6,931 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Valor Telecommunications of TX, LP | 17,352 | 20 | 5 | 7 | 8 | 0 | 1.15 |
| Walnut Hill Telephone Co. | 5,441 | 4 | 3 | 1 | 0 | 0 | 0.74 |
| Yelcot Telephone Co., Inc. | 4,103 | 2 | 0 | 0 | 1 | 1 | 0.49 |
| Yell County Telephone Co. | 5,784 | 3 | 1 | 2 | 0 | 0 | 0.52 |
| TOTALS | 1,450,641 | 1,172 | 490 | 320 | 313 | 49 | N/A |

* Access lines from Company 2001 Annual Reports as filed with the Commission

**Includes All CenturyTel Companies

2002 Telephone Industry - Competitive Local Exchange Carriers (CLEC) Complaints

| CLEC Companies | Arkansas Access Lines * | Complaints To APSC | Company Action Correct | Company Action Incorrect | Company Action Modified | Misc. | Complaints Per 1000 Customers |
|---|-------------------------------|-----------------------|------------------------------|--------------------------------|-------------------------------|-------|-------------------------------------|
| 1-800-Reconex, Inc. | 62 | 1 | 0 | 0 | 1 | 0 | 16.13 |
| Adelphia Business Solutions Investment, LLC | 6,523 | 3 | 0 | 3 | 0 | 0 | 0.46 |
| AT&T Communications of the Southwest, Inc. | 6,295 | 348 | 165 | 62 | 113 | 8 | 55.28 |
| Basic Phone, Inc. | 609 | 1 | 0 | 1 | 0 | 0 | 1.64 |
| Bellerud Communications, LLC | 4 | 1 | 1 | 0 | 0 | 0 | 250.00 |
| Brooks Fiber Communications of Arkansas, Inc. aka Brooks Worldcom | 4,079 | 1 | 0 | 1 | 0 | 0 | 0.25 |
| CAT Communications International, Inc | 522 | 2 | 1 | 0 | 1 | 0 | 3.83 |
| Ciera Network Systems, Inc. | N/A | 3 | 0 | 1 | 2 | 0 | N/A |
| Comm South Companies, Inc. dba Arkansas Comm South, Inc. | 4,033 | 9 | 4 | 4 | 1 | 0 | 2.23 |
| Connect Communications Corporation | 274 | 2 | 0 | 0 | 1 | 1 | 7.30 |
| Delta Phones, Inc. | 7,198 | 18 | 9 | 3 | 6 | 0 | 2.50 |
| dPi-Teleconnect, LLC | 1,854 | 1 | 0 | 1 | 0 | 0 | 0.54 |
| Excel Telecommunications, Inc. | N/A | 25 | 3 | 8 | 12 | 2 | N/A |
| HomeTel, Inc. | 6,711 | 8 | 5 | 1 | 1 | 1 | 1.19 |
| Integrated Telecommunications Services LLC | 1,106 | 1 | 0 | 1 | 0 | 0 | 0.90 |
| M.L.M. Telecommunication, Inc. dba Ameritel, Your Phone Company | N/A | 6 | 3 | 2 | 1 | 0 | N/A |
| McLeodUSA Telecommunications Services | 1,955 | 4 | 3 | 1 | 0 | 0 | 2.05 |
| Navigator Telecommunication, LLC | 9,568 | 13 | 6 | 7 | 0 | 0 | 1.36 |
| NOS Communications, Inc. dba 011 Communications dba Internation Plus dba Internet Business Association dba Ivantage Network Solutions | N/A | 2 | 1 | 1 | 0 | 0 | N/A |
| NuVox Communications of Arkansas, Inc. | 2,798 | 2 | 0 | 1 | 1 | 0 | 0.71 |
| Payroll Advanced, Inc. | 371 | 1 | 1 | 0 | 0 | 0 | 2.70 |

2002 Telephone Industry - Competitive Local Exchange Carriers (CLEC) Complaints

| CLEC Companies | Arkansas Access Lines * | Complaints To APSC | Company Action Correct | Company Action Incorrect | Company Action Modified | Misc. | Complaints Per 1000 Customers |
|---|-------------------------------|-----------------------|------------------------------|--------------------------------|-------------------------------|-------|-------------------------------------|
| Robert's Communications | 429 | 1 | 0 | 0 | 1 | 0 | 2.33 |
| Sage Telecom, Inc. | 10,675 | 150 | 54 | 49 | 45 | 2 | 14.05 |
| SBC Advanced Solutions, Inc. | N/A | 15 | 1 | 5 | 8 | 1 | N/A |
| Southern Telcom Network, Inc. dba STN Long Distance | N/A | 2 | 0 | 1 | 1 | 0 | N/A |
| Sprint Communications Company, LP | N/A | 125 | 50 | 42 | 30 | 3 | N/A |
| Suretel, Inc. | 838 | 1 | 0 | 0 | 0 | 1 | 1.19 |
| Talk America, Inc | N/A | 5 | 0 | 3 | 2 | 0 | N/A |
| Thielepape, Harry dba State Discount Telephone | N/A | 1 | 0 | 0 | 1 | 0 | N/A |
| Vartec Telecom, Inc. dba Vartec Telecom dba Clear Choice Communications | 7 | 20 | 4 | 7 | 7 | 2 | 2857.14 |
| Z-Tel Communications, Inc. | N/A | 2 | 0 | 0 | 0 | 2 | N/A |
| TOTALS | 65,911 | 774 | 311 | 205 | 235 | 23 | N/A |

* Access lines from Company 2001 Annual Reports as filed with the Commission

**2002 Telephone Industry - Interexchange Carriers (IXC)
Private Pay Telephone Providers (PPTP)
Complaints**

| IXC and PPTS Companies | Complaints To APSC | Company Action Correct | Company Action Incorrect | Company Action Modified | Misc. |
|---|-------------------------------|---------------------------------------|---|--|--------------|
| ACN Communication Services, Inc. | 3 | 0 | 3 | 0 | 0 |
| Advantage Telecommunications Corporation | 89 | 58 | 20 | 11 | 0 |
| Affinity Network, Inc. dba Horixon One Communications dba Quantumlink Communications | 1 | 0 | 1 | 0 | 0 |
| Alliance Group Services, Inc. | 19 | 11 | 4 | 1 | 3 |
| American Telecommunications Systems, Inc. | 1 | 1 | 0 | 0 | 0 |
| America's Digital Satellite Telephone | 17 | 9 | 5 | 3 | 0 |
| Americatel Corporation dba 1 800 3030 123 Americatel Collect dba 1010 123 Americatel dba 10-15-688 Ametex dba 10 123 Americatel | 1 | 0 | 0 | 1 | 0 |
| Amerivision Communications, Inc. dba Lifeline Communications, Inc. | 1 | 0 | 0 | 1 | 0 |
| Bell Atlantic Communications, Inc. dba Verizon Long Distance | 6 | 1 | 1 | 3 | 1 |
| Broadwing Communications Services, Inc. | 3 | 0 | 0 | 2 | 1 |
| Business Discount Plan, Inc. | 1 | 1 | 0 | 0 | 0 |
| Capsule Communications, Inc. | 1 | 0 | 1 | 0 | 0 |
| Combined Billing Corporation | 1 | 0 | 1 | 0 | 0 |
| Communications Billing, Inc. | 5 | 0 | 4 | 1 | 0 |
| CommuniGroup of Arkansas, Inc. | 1 | 0 | 1 | 0 | 0 |
| Custom Teleconnect, Inc. | 1 | 0 | 0 | 1 | 0 |
| ETS Payphones | 1 | 0 | 0 | 1 | 0 |
| Eztel Network Services, LLC | 4 | 2 | 2 | 0 | 0 |
| Global Crossing North American Networks, Inc. | 11 | 7 | 2 | 2 | 0 |
| Global Tel*Link Corporation dba Global Telcoin, Inc. | 3 | 1 | 1 | 1 | 0 |
| IDT America Corporation | 26 | 7 | 11 | 6 | 2 |
| Intellicall Operator Services, Inc. | 6 | 1 | 3 | 0 | 2 |
| LCR Telecommunications, LLC | 97 | 15 | 42 | 38 | 2 |
| Least Cost Routing, Inc. | 9 | 1 | 2 | 5 | 1 |
| Legacy Long Distance International, Inc. | 1 | 1 | 0 | 0 | 0 |
| Lightyear Communications, Inc. | 3 | 1 | 2 | 0 | 0 |
| Main Street Telephone Company | 1 | 0 | 0 | 1 | 0 |
| Matrix Telecom | 1 | 1 | 0 | 0 | 0 |
| Maxtel USA, Inc. | 1 | 0 | 1 | 0 | 0 |
| MCI WorldCom Network Services, Inc. * | 338 | 153 | 71 | 108 | 6 |
| Mercury Long Distance, Inc. | 1 | 0 | 1 | 0 | 0 |
| National Accounts, Inc. | 14 | 13 | 0 | 0 | 1 |

**2002 Telephone Industry - Interexchange Carriers (IXC)
Private Pay Telephone Providers (PPTP)
Complaints**

| IXC and PPTS Companies | Complaints To APSC | Company Action Correct | Company Action Incorrect | Company Action Modified | Misc. |
|--|-------------------------------|---------------------------------------|---|--|--------------|
| NOSVA Limited Partnership dba CierraCom Systems | 4 | 0 | 2 | 2 | 0 |
| OCMC, Inc. dba Opticom dba 1-800-Max Save dba Advantel dba LiveTel dba Region Tel dba SuperTel | 1 | 1 | 0 | 0 | 0 |
| OPEX Communications, Inc. | 4 | 2 | 1 | 1 | 0 |
| Optical Telephone Corporation | 10 | 4 | 3 | 2 | 1 |
| PNG Telecommunications, Inc. dba PowerNet Global Communications | 4 | 2 | 2 | 0 | 0 |
| Primus Telecommunications, Inc. | 1 | 0 | 1 | 0 | 0 |
| Qwest Communications Corporation | 38 | 8 | 27 | 3 | 0 |
| QX Telecom LLC | 2 | 0 | 1 | 0 | 1 |
| Reduced Rate Long Distance, LLC | 3 | 1 | 0 | 2 | 0 |
| Southwestern Bell Communications Services, Inc. dba Nevada Bell Long Distance dba Pacific Bell Long Distance dba SBC Long Distance dba Southwestern Bell Long Distance | 22 | 7 | 12 | 3 | 0 |
| TelecomEZ Corporation | 1 | 0 | 1 | 0 | 0 |
| Teleconnect Long Distance Services and System Company dba Telcom*USA | 3 | 1 | 1 | 0 | 1 |
| T-Netix, Inc. | 2 | 1 | 1 | 0 | 0 |
| TTI National, Inc. | 2 | 1 | 1 | 0 | 0 |
| Universal Broadband Communications, Inc. dba Business Sayings Plant | 2 | 1 | 1 | 0 | 0 |
| USLD Communications, Inc. | 1 | 0 | 1 | 0 | 0 |
| Williams Communications, LLC | 4 | 4 | 0 | 0 | 0 |
| Working Assets Long Distance | 1 | 1 | 0 | 0 | 0 |
| World Communications Satellite Systems, Inc. | 143 | 71 | 32 | 38 | 2 |
| Complaints against companies not licensed at 12/31/02 | 60 | 15 | 26 | 15 | 4 |
| | 826 | 323 | 251 | 229 | 23 |

*Includes all MCI Companies

SECTION 6 - FEDERAL AGENCY ACTIVITY

The APSC participates before federal regulatory agencies with a focus on proceedings which affect jurisdictional oversight and cost allocation. In addition, many issues that are addressed by the APSC in these proceedings are related to continuing efforts to open monopoly energy and telecommunications markets to competition. The following are the most significant proceedings in which the APSC participated.

Federal Energy Regulatory Commission (FERC)

Docket No. EL98-36-000

Aquila Power Corp. v. Entergy Services, et. al.

Aquila filed a complaint in April 1998 stating that ESI is gaming its available transmission capacity to thwart Aquila's sales to entities in the Entergy service area. The complaint alleges abuse of market power. The APSC intervened in April 1998. An Amended and Restated Complaint was filed in June 1998. In March 2000, FERC issued an order granting in part, and denying in part, the complaint. FERC found that Entergy, in reserving transmission capacity for native retail load, had failed to designate network resources and loads on the same basis as do its other network service customers and thus violated its pro forma tariff. FERC also ruled, that because it lacks authority to award monetary damages, it has no remedy for Aquila. Aquila filed for rehearing, which FERC granted in September 2000. Rehearing was denied in December 2002.

Docket No. EL02-101

Cleco, et al

The SeTrans companies filed a petition for a declaratory order in June 2002, outlining the basic

framework for their Regional Transmission Organization (RTO) and asking for guidance by October, in order to make a November filing for RTO approval. The APSC intervened in July 2002. In October 2002, FERC granted the petition. The governance, including the selection of the Independent System Administrator, the selection process for the Independent Market Monitor, the market design structure-including the use of Locational Marginal Pricing, day ahead and real time markets, tradable Financial Transmission Rights, and regionally coordinated planning, were all approved. Composition of the Stakeholder Advisory Committee was modified so that any member corporate entity may hold only one seat on the Committee, regardless of how many different stakeholder affiliates that corporate entity may have. Participant Funding of transmission expansion was approved in concept. The SeTrans sponsors were instructed to work with their state regulators and stakeholders to address the remaining unresolved issues. An Order granting rehearing was issued in December 2002.

Docket No. EL02-107

Duke Energy v. Entergy Services, Inc.

In July 2002, four Duke Energy affiliates filed a complaint against Entergy. Duke asserts that Entergy's interconnection agreement violates FERC transmission pricing policy. Entergy requires Duke to fund incremental transmission network upgrades and also charges embedded-cost rates for transmission service, which violates FERC's policy opposing "and" pricing. Duke seeks to be charged either incremental or embedded costs, but not both. Duke asks that its funding of network upgrades be refunded with interest through transmission credits. The APSC intervened in July 2002. Entergy filed an answer in July 2002 that Duke's complaint was

not valid and that its request constitutes retroactive ratemaking and an abrogation of its contract. Duke responded in August 2002 that its complaint was simply to ensure that Entergy follows the FERC policy on “and” pricing. This case is pending.

Docket No. RM01-12
Electricity Market Design and Structure

FERC issued a proposal for a series of workshops on market design in September 2001. Topics included what markets an RTO should run, congestion management, planning, tariffs, cost recovery and market power. A workshop was held in February 2002 on dividing functional control between RTOs and independent transmission companies operating under the RTO umbrella. An RTO cost/benefit report was issued by consultants for FERC in February 2002, followed by a series of teleconferences. In March, FERC released a staff Working Paper outlining their position on several issues of rate design. An Options Paper laying out rate design alternatives was issued in April. In July 2002, FERC issued the Notice of Proposed Rulemaking (NOPR) on Standard Market Design (SMD). A Staff Conference on Market Monitoring has been scheduled for October. A technical conference on “Continuing Efforts to Standardize Inputs and Outputs for Electric Market Software” was held in October. FERC issued a notice of technical conferences on participant funding in October, on resource adequacy requirements in November, and on congestion revenue rights in December. The APSC filed written comments or otherwise participated in all of those activities. FERC intends to issue another white paper in April 2003. FERC has stated that the final Rule will be issued in July 2003.

Docket No. EL00-46-000
Entergy Services v. Southwest Power Pool (SPP)

In February 2000, Entergy filed a complaint under Section 203 of the Federal Power Act alleging that the SPP had violated its Open Access

Transmission tariff. The APSC intervened in March 2000. In June 2000, FERC issued an order that Entergy has a right to renew a firm point to point transmission capacity reservation no later than 60 days before the termination date and that SPP may not grant others a right to that capacity until after that 60 day deadline. Rehearing was denied in July 2002.

Docket No. ER00-1743-000
Entergy Services, Inc.

Entergy filed at the FERC in March 2000, a Pro Forma Interconnection Agreement and Interconnection Procedures pursuant to Section 205 of the Federal Power Act to standardize the process for new generators to attach to Entergy’s electric transmission system. The agreement will govern the rights and responsibilities of Entergy and the new generators. APSC filed an intervention in March 2000. Dynegy filed a protest in June claiming the IA was deficient in not granting the interconnecting customer the right to deliver its output at the point of receipt on Entergy’s system. FERC disagreed, finding that the tariff grants the right to deliver output once delivery service is requested. In October 2002, FERC accepted Entergy’s compliance filing.

Docket No. EL01-88-000
Louisiana Public Service Commission (LPSC)/
City of New Orleans (CNO) v. Entergy

Louisiana Public Service Commission and the City of New Orleans filed a complaint in June 2001, as part of the partial settlement arrived at in Docket No. EL00-66-000. The LPSC/CNO assert that the “rough equalization” of production costs among the Entergy Operating companies has changed due to circumstances and needs to be reset. The APSC intervened in June 2001. FERC has set the case for hearing beginning in June 2003.

Docket No. ER02-1420

Midwest Independent System Operator, Inc.

In March 2002, MISO and SPP filed with FERC an application for approval of the consolidation or merger of the two organizations, to form the temporarily named "Resulting Company." SWEPCO, an AEP company, did not sponsor any filings, was not a signatory, and did not make a filing under Section 203 of the Federal Power Act to transfer control of its transmission assets to the Resulting Company. SWEPCO had given notice to the SPP of its intention to withdraw effective October 2002, in order to be in a position to evaluate which RTO it would join in the future. In May, FERC issued an order that, among other things, directed AEP within 15 days to explain why SWEPCO should not be required to join the Resulting Company RTO. The APSC intervened in June 2002 and filed a motion for reconsideration. APSC argued that this portion of the Order should be withdrawn as there is no showing that the Resulting Company RTO is the most appropriate RTO for SWEPCO or even whether joining an RTO will benefit SWEPCO's ratepayers. MISO made a compliance filing in July 2002. FERC granted a motion for rehearing. In September 2002, AEP filed a Memorandum of Understanding at FERC, stating its intentions and conditions for AEP West companies, SWEPCO and PSO to join the MISO. In October 2002, FERC dismissed requests for rehearing. In October 2002, Wisconsin Electric Power moved to support protests. An Order accepting and rejecting in part the filed rates was issued in December 2002.

Docket No. RM02-12

Standardizing Generator Interconnection Agreements

Issued in October 2001, as an advance notice of proposed rulemaking (ANOPR), FERC asked stakeholders to use the ERCOT Standard Interconnection Agreement (IA) as a starting point and try to achieve consensus on a standard for the rest of the country. The NOPR was issued in April

2002. Designed to provide generators with utility-comparable interconnection service, the NOPR would classify all interconnection facilities as generation expense and all network upgrades as transmission expense. In June 2002, APSC filed comments in which it argues that as a matter of equity in non-retail competition states costs of transmission upgrades should be assessed on new generators and not rolled into regional transmission rates. The APSC also asks for clarification of the proposed Rule for small generators, interconnecting to the distribution system, whether FERC is preempting state jurisdiction by applying the FERC IA. In October 2002, FERC granted an extension of time till November to allow further consideration of small generator agreements and procedures. A technical conference was scheduled for January 2003.

Docket No. EL02-89

Tenaska Power Services v. Southwest Power Pool (SPP)

Tenaska filed a complaint in May 2002 stating that the SPP violated the provisions of its Open Access Transmission Tariff (OATT). Tenaska had been taking long-term (one year), firm transmission service under the OATT and asked for a timely renewal of that contract. The SPP prepared a study showing that the capacity was no longer available and denied the service request. Tenaska asserts the SPP must honor the rollover request. FERC granted Tenaska's complaint on the grounds that the SPP did not reserve capacity for load growth in its original service agreement. The APSC intervened in July 2002. An order granting rehearing was issued in August 2002.

Docket No. EL02-88

Wrightsville Power Facility, LLC v. Entergy Arkansas, Inc.

In May 2002, Wrightsville filed a complaint against Entergy that requests FERC to find that the terms and conditions of their Interconnection

Agreement (IA) violate Commission policy and precedent and are unjust and unreasonable. Wrightsville entered into the IA in August 2000, at a time when FERC was just beginning to translate its open-access transmission policy to apply to IAs. At that time, Wrightsville was opposed to its funding of network upgrades as a form of “and” pricing, i.e., paying both embedded costs of transmission and incremental costs of the upgrades, which violates FERC policy. Network upgrades are further distinguished between those needed to accommodate load growth and reliability, and those that would not be needed at all, “but for” the new generator seeking interconnection. Load growth and reliability upgrades are the responsibility of the transmission provider while “but for” upgrades are funded by the new generator. Because this arrangement is a form of “and” pricing, FERC policy is that the upgrade costs be refunded to the generator through transmission service credits, rolling in the costs to the transmission revenue requirement, and charging the new generator the regional rate. Since this policy evolved after Wrightsville signed the IA, under protest, Wrightsville seeks transmission credits in the amount of \$11.5 million plus interest for its funding of the “but for” network upgrades. The APSC intervened in June 2002. In January, FERC issued an order to reclassify the upgrades and for Entergy to refund Wrightsville with interest through transmission credits.

Docket No. CP03-6-000
CenterPoint Energy Gas Transmission Company

In November 2002, the APSC intervened in this filing by CEGT (formerly known as Reliant Energy Gas Transmission Company or REGT)) to purchase (See CP-02-428 above) from Ozark 28.97 miles of Ozark’s pipeline facilities. CEGT intends to treat the full amount of the acquisition cost as eligible for inclusion in rate base and as recoverable through jurisdictional rates. The APSC did not protest CEGT’s application. However, the APSC states that it reserves the right to review the costs in future rate case proceedings. This case is pending.

Docket No. CP02-428-000
Ozark Gas Transmission Company, L.L.C.

The APSC intervened and protested this in filing by Ozark for authorization to abandon by sale to REGT a 28.97 mile segment of Ozark’s interstate pipeline system in Oklahoma, including certain associated pipelines and facilities. The sales price of the pipeline assets would be \$10,000,100. The APSC protested that the gain realized by Ozark from the sale should be returned to Ozark customers. The APSC requested that FERC establish in this proceeding that the amount and ratemaking treatment of the gain will be eligible for consideration in Ozark’s next rate proceeding. In November 2002, FERC issued an order (1) approving the asset sale, and (2) stating that any gain realized by Ozark on the asset sale must addressed in Ozark’s next rate case.

Docket No. CP02-80-000
Reliant Energy Gas Transmission Company

In February 2002, the APSC intervened in an application filed by Reliant Energy Gas Transmission Company (REGT) requesting authorization to construct, own, and operate a 4,740 horsepower compressor station in Jackson County, Arkansas. The compression station will enable REGT to transport gas to a new electric generation plant. The total construction cost of the compressor station is \$7.8 million. In June 2002, the Federal Energy Regulatory Commission (FERC) issued an order authorizing REGT to construct the compressor station subject to REGT removing a negotiated rate termination provision.

RP02-196-000
Reliant Energy Gas Transmission Company

In March 2002, REGT filed revised tariff sheets to adjust its fuel percentages and Electric Power Costs tracker. The Missouri Public Service Commission (MPSC) protested REGT’s filing requesting that REGT: (1) add a lost and unaccounted for gas percentage (LUGF), and a fuel

use percentage to its tariffs, and (2) provide more information to support the fuel retention quantities and storage throughput used in its computations. In April 2002, FERC issued an order directing REGT to file the information requested by the MPSC, and file revised tariffs reflecting a separately stated fuel use percentage and LUG percentage. In May 2002, the APSC intervened in this proceeding. REGT filed a request for clarification or rehearing with respect to certain aspects of FERC's April order. In September 2002, FERC issued an order on rehearing and clarification. In October 2002, the MPSC filed a request for rehearing of FERC's September 23 order on rehearing. In December 2002, FERC issued an order on rehearing and compliance filings stating that the MPSC's in October 2002 rehearing request is denied because the issues raised by the MPSC are outside the scope of this docket.

RP02-353-000

Reliant Energy Gas Transmission Company

The APSC intervened in the June 2002 filing by REGT of its tenth and final take-or-pay (TOP) cost recovery pursuant to a 1992 FERC settlement. The settlement allowed REGT to recover a portion of its TOP costs over nine years, and then direct bill customers for the remainder. Although Arkla-Arkansas customers are protected by past settlements from the responsibility for any TOP costs, the APSC intervened to monitor the filing.

Securities Exchange Commission (SEC)

File No.70-9381

American Electric Power (AEP) and
Central and South West Corp. (CSW)

This is an AEP filing at the SEC that proposes to acquire by means of merger all of CSW common stock and all of CSW's four electric utility subsidiary companies. The APSC intervened in April 1999. In June 2000, the SEC authorized the merger and approved the amended service agreements. This decision was appealed. In January 2002, the United States Court of Appeals for the DC Circuit vacated the SEC decision and remanded the matter to the SEC for further proceedings.

File No.70-9895

Reliant Energy, Inc.

Reliant Energy, Inc. filed in June 2001, an application to reorganize in order to comply with Texas law requiring corporate separation of regulated utility divisions from unregulated electric generation and retail energy provider services. A new holding company, ARegco,@ will be formed. Regco will have five public utility subsidiaries: T&D Utility, Texas Genco, Entex, Arkla, and Minnegasco. Arkla is a natural gas utility providing service to Arkansas. The APSC intervened in November 2001 to protect the interests of Arkansas customers of Arkla. In July 2002, the SEC issued an order approving the proposed transactions and reserving jurisdiction over the acquisition of certain gas utility subsidiaries to be formed as part of the restructuring. SEC Release No. 35-27548.

SECTION 7 - OTHER ACTIVITY

The National Association of Regulatory Utility Commissioners (NARUC) is a nonprofit organization founded in 1889. NARUC membership is composed of the governmental agencies that are engaged in the regulation of utilities and carriers in the fifty states, the District of Columbia, Puerto Rico, and the Virgin Islands. NARUC's objective is to improve the quality and effectiveness of public regulation of utilities and carriers.

NARUC operates through committees and subcommittees. Those groups advance regulation through study and discussion of the operation and supervision of public utilities and carriers. Through promoting coordinated action by the commissions, the organization serves to protect the public interest.

The Commission is currently represented by the following committee and subcommittee assignments:

Commissioners

Sandra L. Hochstetter
Committee on Electricity

Daryl E. Bassett
Committee on Finance & Technology

Randy Bynum
Committee on Gas

Commissioners' Staff

D. David Slaton
Staff Subcommittee on Administrative Law Judges
Staff Committee on Law

Sam Loudenslager
Staff Subcommittee on Communications
Staff Subcommittee on Consumer Affairs

David Lewis
Staff Subcommittee on Gas

Richard House
Staff Subcommittee on Electricity

Executive Director

John P. Bethel
Staff Subcommittee on Executive Management

General Staff

Donna Gray
Staff Subcommittee on Competition and
Performance Analysis

Jeff Hilton
Staff Subcommittee on Accounts

Bret Franks
Staff Subcommittee on Depreciation

Appendix A - Jurisdictional Utilities

During 2002, the Commission carried out its statutory obligation to review and regulate the rates and/or practices of utility companies. The utilities under the Commission's jurisdiction in 2002 are listed below:

| | |
|---|-----|
| Investor-Owned Electric Utilities | 4 |
| Electric Cooperatives | 18 |
| Investor-Owned Gas Utilities | 3 |
| Natural Gas Operators | 19 |
| Master Meter Gas Operators | 199 |
| Water and Sewer Utilities | 5 |
| Incumbent Local Exchange Carriers | 30 |
| Competitive Local Exchange Carriers | 111 |
| Interexchange Carriers, Private Pay Telephone Providers | 279 |
| TOTAL | 668 |

Investor-Owned Electric Utilities

Empire District Electric Company
Entergy Arkansas, Inc.

Oklahoma Gas and Electric Company
Southwestern Electric Power Company

Electric Cooperatives

Arkansas Electric Cooperative Corporation
Arkansas Valley Electric Cooperative Corporation
Ashley-Chicot Electric Cooperative
C & L Electric Cooperative Corporation
Carroll Electric Cooperative Corporation
Clay County Electric Cooperative Corporation
Craighead Electric Cooperative Corporation
Farmers Electric Cooperative Corporation
First Electric Cooperative Corporation

Mississippi County Electric Cooperative
North Arkansas Electric Cooperative
Ouachita Electric Cooperative Corporation
Ozarks Electric Cooperative Corporation
Petit Jean Electric Cooperative Corporation
Rich Mountain Electric Cooperative
South Central Ark. Electric Cooperative
Southwest Arkansas Electric Coop. Corporation
Woodruff Electric Cooperative Corporation

Investor-Owned Gas Utilities

Arkansas Oklahoma Gas Corporation
Arkansas Western Gas Company
Northwest Arkansas Region and
Northeast Arkansas Region
CenterPoint Entergy Arkla, a division of
CenterPoint Energy Resources Corp.

Natural Gas Operators

Augusta City Light Water and Gas
CenterPoint Energy Field Services Corporation
CenterPoint Energy Gas Transmission Company
CenterPoint Energy Pipeline Services
Des Arc Municipal Gas Company
DeValls Bluff Natural Gas System
Enbridge Pipelines L.L.C.
Enogex Arkansas Pipeline Corporation
(Searcy Gas Gathering)
Georgia Pacific Corporation
Gruy Petroleum Management Co.
Harrisburg Water and Gas Division
Hazen Natural Gas Company
Integrated Services, Inc.
Jonesboro City Light & Water
LKL Pipeline Company
Kinder Morgan (Natural Gas Pipeline Company of America)
North Crossett Gas & Water Company
Questar
Whiting Petroleum Corporation

Master Meter Gas Operators

3801 Inc. (Apartments)
Adams Mobile Home Park
AIMCO (Apartments)
Affordable Residential Comm. (MHP)
Alpha Property Management, Inc.
Arkansas Court Apartments
Arkoma, Inc.
Associate Management (Apartments)
Augusta Housing Authority
Autumn Run Mobile Home Park
B&G Mobile Home Park
Bailey Properties Corporation (Apartments)
Bald Knob Housing Authority
Bart Gray Realty (Apartments)
Batesville Housing Authority
Beaver Lake Mobile Home Park
Beebe Housing Authority
Bellefonte Mobile Home Park
Boonstra Mobile Home Park
Boucher & Slack Enterprises (Apartments)
Brencor Asset Management

Brinkley Housing Authority
Bruck Trailer Park
Bucks Trailer Park
CIC Arms Apartments
Cabin Court Apartments
Camden Housing Authority
Carol Brooner
Casa America Inc.
Chateau Rental Properties L.L.C.
Chateau West Apartments
Civitan Apartments
Clarendon Housing Authority
Coffman Investments (Apartments)
Colonial Arms Apartments
Colonial Estates Village Mobile Home Park
Colonial Oaks Apartments
Con-Ivie Gardens Apartments
Conway Housing Authority
Cottage Apartments & Trailers
Cotton Plant Housing Authority
Country Manor Mobile Home Park
Country Oaks Village Mobile Home Trailer Park
Country Mobile Estates
Countryside Mobile Home Park
D&C Trailer Park
Dale Martin Trailer Park
Dan Epperly
Dardenelle Retirement Center (Apartments)
Dardenelle Housing Authority
David Bassett Apartments
Des Arc Housing Authority
Dewar Properties (Apartments)
Dhein's Mobile Home Park
Earle Housing Authority
Ed Cook
Ed Russell
11th Street Mobile Home Park
Fick Street Apartments
First Capitol Management Group (Apartments)
Forrest City Housing Authority
Fort Smith Housing Authority
Fountain Plaza Apartments
Gage Trailer Park
Garden Valley Apartments
Gentry, James, and Gentry, L.L.C.
Georgetown Apartments
Glen Echo Mobile Home Park
Green Acres Mobile Home Park
Green Elf Court Apartments
Guaranty Loan and Realty (Apartments)
Guffey Properties (Mobile Home Park)
Happy Pines Mobile Home Park
Harris Trailer Park
Hartgrave Trailer Park
Heber Springs Housing Authority
Henry Management
Heritage Park Apartments
Hermitage Trailer Park

Master Meter Gas Operators (Continued)

| | |
|--|---|
| Hewett Springs Mobile Home Gardens | Pocahontas Housing Authority |
| Hickory Ridge Housing Authority | Poplar Square Apartments |
| Highcliff Apartments | Pro Realty (Apartments) |
| Hill Top Mobile Home Park | Property Management, Inc. (Apartments) |
| Hilltop Mobile Home Park | Protho Manor Apartments |
| Hoxie Housing Authority | RPS Management Company L.P. (Apartments) |
| Hudson Realty Company (Apartments) | Rector Housing Authority |
| Hughes Housing Authority | Rector-Phillips-Morse (Apartments) |
| J & L Properties | Remount Road Mobile Home Park |
| Jarrett Property Management (Apartments) | Rental Management, Inc. (Apartments) |
| Jim Peacock Realty (Apartments) | Rison Housing Authority |
| Jones Trailer Park | Riverside, Inc. (Apartments) |
| Keathley Enterprises (Mobile Home Park) | Ro-Lynn Hills Mobile Home Park |
| Kellers Mobile Home Park | Rockway |
| Kohner Properties (Apartment) | Rolling Hills Mobile Home Park |
| Krebs Rentals (Mobile Home Park) | Rosebud Trailer Park |
| L&K Properties (Apartments) | Royal Oak Apartments |
| Lakeland Trailer Park | Ruffs Mobile Home Park |
| Lakeside Resort Mobile Home Park | Rutherford Mobile Home Park |
| Leta Wagner Mobile Home Park | Salem Housing Authority |
| Lindsey Management (Apartments) | Scholars Inn Apartments |
| Little's Trailer Park | Shady Acres Mobile Home Park |
| Logan Township Gas Users Association | Shady Rest Court Mobile Home Park |
| Love's Apartments | Sink Realty (Apartments) |
| Magnolia Housing Authority | Skaggs Mobile Home Park |
| Mammoth Spring Housing Authority | Skull Creek Development |
| Manila Housing Authority | Southgate Village |
| Maple Shade Trailer Park | Spring Lane Properties |
| Margo Gross | Squire Court Limited Partnership (Apartments) |
| Marianna Housing Authority | Star Management (Apartments) |
| McClure Realty | Suburban Mobile Home Park |
| McCrary Housing Authority | Sugarloaf Trailer Park |
| Melody Trailer Court | Sulcer Real Estate Rentals |
| Mena & Polk Co. Housing Authority | Suncrest Village Limited |
| Midway Park | Sunrise Village L.L.C. |
| Mike Rushin Company | Sunset Village Limited |
| Mobile Home Village (71) | Sweetser Properties |
| Monte Ne Mobile Home Park | Taliafaro, Inc. (Apartments) |
| Moore Apartments | Tara Apartments |
| Morgans Trailer Park | Tara Garden, L.L.C. |
| Motor Inn Trailer Park | Terry Lynn Trailer Park |
| Mountain Home Mobile Home Park | The English Apartments |
| Mr. James Love (MHP) | Town Houses in the Park |
| Mr. Osco Honeycutt (Apartments) | Trailwood Mobile Home Park |
| Newport Housing Authority | Travis Trailer Park |
| Nine Elms Mobile Home Park | Trent Consulting & Investing |
| Nancy Barthel Apartments | Trumann Housing Authority |
| Out-in-the-Woods Apartments | Trumann Mobile Home Park |
| Ozark Land Development (Mobile Home Parks) | Tuckers Trailer Park |
| Painters Mobile Home Park | United Property Management (Apartments) |
| Paragould Housing Authority | University Trailer Park |
| Parkin Housing Authority | Valley View & Creekside MHPs |
| Parkway Crossing Apartments | W-7 Mobile Park |
| Pearson's Trailer Park | Wards Mobile Home Park |
| Pine Meadow Trailer Park | Warren Housing Authority |
| Piney Woods Apartments | Washington Plaza Apartments |
| | West Memphis Housing Authority |
| | Westpark Meadows Apartments |

Master Meter Gas Operators (Continued)

White River Regional Housing Authority
Wilbur's Mobile Home Park
Willow Wood Apartments
Winston Apartments
Wood Terrace Apartments
Woodridge Estates Mobile Home Park

Water and Sewer Utilities

Central Ark. Sewer Systems, Inc.
Riviera Utilities of Ark., Inc.
Sebastian Lake Public Utility Co.
Shumaker Public Service Corporation
United Water Arkansas, Inc.

Incumbent Local Exchange Carriers

ALLTEL Arkansas, Inc.
Arkansas Telephone Company, Inc.
Central Arkansas Telephone Cooperative, Inc.
CenturyTel of Arkansas, Inc.
CenturyTel of Central Arkansas, LLC
CenturyTel of Mountain Home, Inc.
CenturyTel of Northwest Arkansas, LLC
CenturyTel of Northwest Louisiana, Inc.
CenturyTel of Redfield, Inc.
CenturyTel of South Arkansas, Inc.
Cleveland County Telephone Company, Inc.
Decatur Telephone Company, Inc.
E. Ritter Telephone Company
 dba Ritter Telephone Company
Lavaca Telephone Company, Inc.
 dba Pinnacle Communications
Madison County Telephone Company, Inc.
Magazine Telephone Company
Mountain View Telephone Company
Northern Arkansas Telephone Company, Inc.
Ozark Telephone Company of Missouri
Prairie Grove Telephone Company
Rice Belt Telephone Company, Inc.
Scott County Telephone Co., Inc.
South Arkansas Telephone Company, Inc.
Southwest Arkansas Telephone Cooperative, Inc.
Southwestern Bell Telephone, L.P.
Tri-County Telephone Company
Valor Telecommunications of Texas, LP
Walnut Hill Telephone Company
Yelcot Telephone Company
Yell County Telephone Company

Competitive Local Exchange Carriers

1-800-Reconex, Inc.
Adelphia Business Solutions Investment, LLC
Advanced TelCom, Inc.
 dba Advanced Telcom Group
ALLTEL Communications, Inc.
Americom, Inc.
Annox, Inc.
Answer Fort Smith, Inc.
Arkansas State Telephone
AT&T Communications of the Southwest, Inc.
A-Tech Telecom, Inc.
Baldwin, Larry Joe
 dba NEA Telecom
BarTel Communications, Inc.
Basic Phone, Inc.
Bellerud Communications, LLC
Bellsouth BSE, Inc.
Big River Telephone Company, LLC
Brooks Fiber Communications of Arkansas, Inc.
 aka Brooks Worldcom
Budget Phone, Inc.
Business Telecom, Inc.
 dba BTI Telecommunications Services
Buy-Tel Communications, Inc.
CAT Communications International, Inc.
CCCAR, INC.
 dba Total Connect!
CenturyTel Solutions, LLC
Choctaw Communications, Inc.
 dba Smoke Signal Communications
Ciera Network Systems, Inc.
Comm South Companies, Inc.
 dba Arkansas Comm South, Inc.
Connect Communications Corporation
Credit Loans, Inc.
 dba Lone Star State Telephone Company
Delta Phones, Inc.
Digital Teleport, Inc.
dPi-Teleconnect, LLC
DSLNet Communications, Inc.
DVC Enterprises, Inc.
 dba VC Telecom
E. Ritter Communications, Inc.
 dba Ritter Communications, Inc.
El Paso Networks, L.L.C.
Essex Communications, Inc.
 dba eLEC Communications
Excel Telecommunications, Inc.
EZ Phone, Inc.
EZ Talk Communications, LLC
Fairpoint Communications Solutions Corporation
Gateway Telecom, Inc.
Global Crossing Telemanagement, Inc.
Go-Tel, Inc.
Group Long Distance, Inc.
HJN Telecom, Inc.

Competitive Local Exchange Carriers (Continued)

HomeTel, Inc.
ICG Telecom Group, Inc.
Integrated Telecommunications Services LLC
Intermedia Communications, Inc.
Ionex Communications South, Inc.
ITC Deltacom Communications, Inc.
KMC Data, LLC
KMC Telecom III, LLC
KMC Telecom V, Inc.
Level 3 Communications, LLC
Liberty Phones, Inc.
Logix Communications Corporation
M.L.M. Telecommunication, Inc.
 dba Ameritel, Your Phone Company
Maxcess, Inc.
Max-Tel Communications, Inc.
MCImetro Access Transmission Services Company, LLC
McLeodUSA Telecommunications Services
Metro Teleconnect Companies, Inc.
NationNet Communications Corporation
Navigator Telecommunication, LLC
NetworkIP, LLC
New Access Communications, LLC
New Edge Network, Inc.
 dba New Edge Networks
Northeast Telecom, Inc.
NOS Communications, Inc.
 dba 011 Communications
 dba International Plus
 dba Internet Business Association
 dba Iwantage Network Solutions
NOW Communications, Inc.
NTERA, INC.
NuVox Communications of Arkansas, Inc.
Omniplex Communications Group, LLC
Paging Professionals of Oklahoma, Inc.
 dba ProTel Communications
Payroll Advance, Inc.
Phone Remedies, LLC
Phone-Link, Inc.
Pinnacle Telecom, LLC
Preferred Carrier Services, Inc.
Premiere Network Services, Inc.
QuantumShift Communications, Inc.
Qwest Interprise America, Inc.
Robert's Communications
Sage Telecom, Inc.
SBC Advanced Solutions, Inc.
Snappy Phone of Texas, Inc.
 dba Budget Phone
Southern Telcom Network, Inc.
 dba STN Long Distance
Sprint Communications Company, LP
Supra Telecommunications and Information Systems, Inc.
Suretel, Inc.
Talk America, Inc.

TCA Communications, Inc.
Telecents Communications, Inc.
Tele-Save
Teligent, Inc.
The Phone Connection, Inc.
Thielepape, Harry
 dba State Discount Telephone
Tipton Construction Company of Texas, Inc.
 dba Advanced Communicating Techniques
Universal Access, Inc.
Universal Telecom, Inc.
 dba Universal Communications, Inc.
USCom Telephone, Inc.
Valuelinx Corporation
Vantage Telecom, LLC
 dba NewRoads Telecom, Inc.
Vartec Telecom, Inc. dba Vartec Telecom
 dba Clear Choice Communications
Verizon Select Services, Inc.
Western Communications, Inc.
 dba Logix Communications
World Lynx, LLC
XSpedius Management Co. of Little Rock, LLC
XSpedius Management Co. Switched Services, LLC
Z-Tel Communications, Inc.

Interexchange Carriers and Private Pay Telephone Providers

01 Communications of Arkansas , LLC
360Networks (USA) Inc.
3U Telecom Inc.
A.R.C. Networks, Inc.
 dba InfoHighway
ACC National Long Distance Corp.
Access One, Inc.
Access Point, Inc.
ACCXX Communications, LLC
ACN Communication Services, Inc.
Adelphia Telecommunications, Inc.
Advanced Communications, Inc.
 dba Advance Payphones
Advanced Tel, Inc.
 dba Eatel
Advantage Telecommunications Corporation
Affinity Network, Inc.
 dba Horizon One Communications
 dba Quantumlink Communications
Airmex Communications, Inc.
Alliance Group Services, Inc.
All-Star Acquisition Corporation
Alpha Tel-Com, Inc.
 dba ATI Communications, Inc.
Alternate Communications Technology, Inc.
 dba ACT
Alticomm, Inc.
American Farm Bureau, Inc.
 dba The Farm Bureau® Connection

Interexchange Carriers and Private Pay Telephone Providers (Continued)

American Long Lines, Inc.
American Telecommunications Systems, Inc.
America's Digital Satellite Telephone
Americatel Corporation
 dba 1 800 3030 123 Americatel Collect
 dba 1010 123 Americatel
 dba 10 13 68 Amextex
 dba 10 123 Americatel
Amerivision Communications, Inc.
 dba Lifeline Communications, Inc.
Arkansas Payphones, Inc.
Artech, LLC
ASC Telecom, Inc.
Associated Network Partners, Inc.
Atlas Communications, LTD
 dba Atcom
Axces, Inc.
 dba Axces International
Axius, Inc.
 dba Axius Communications
BAK Communications, LLC
Beirle, Ray A.
 dba Reliable Communications
Bell Atlantic Communications, Inc.
 dba Verizon Long Distance
Bellsouth Long Distance, Inc.
Big Planet, Inc.
Blackstone Communications Company
BridgeCom International, Inc.
Broadview NP Acquisition Corp.
 dba Broadview Net Plus
Broadwing Communications Services, Inc.
Broadwing Telecommunications, Inc.
Budget Call Long Distance, Inc.
Buehner-Fry, Inc.
 dba Resort Operator Services
 dba DialDirect USA
Business Discount Plan, Inc.
Cable & Wireless USA, Inc.
Call Processing, Inc.
Call West Communications, Inc.
Capsule Communications, Inc.
Casco Pay Phones
CenturyTel Long Distance, Inc.
CFL, L.L.C.
CFL Payphones
Choice Telco, LLC
Church, James Michael
 dba JMC Payphones
Cinemark USA, Inc.
Citizens Telecommunications Company
 dba Citizens Long Distance Company
City of Faith Prison Ministries, Inc.
City Tele Coin Company, Inc.

Claricom Networks, Inc.
 dba Staples Communications Networks
Coast International, Inc.
Coleman Enterprises, Inc.
 dba Local Long Distance
Combined Billing Corporation
Comcast Business Communications, Inc.
 dba Comcast Long Distance
Comdata Telecommunications Services
Communicate Technological Systems, LLC
Communications Billing, Inc.
Communigroup of Arkansas, Inc.
Communigroup of K.C., Inc. dba CGI
Comtech 21, LLC
Com-Tech Resources, Inc.
 dba Com-Tech Systems
Comtel Network, LLC
Concert Communications Sales, LLC
Connect America Communications, Inc.
Covista Communications, Inc.
CTC Communications Corporation
Custom Teleconnect, Inc.
D.D.D. Calling, Inc.
Dialaround Enterprises Inc.
Dial-Thru, Inc.
Direct One, L.L.C.
 dba One Rate L.D.
US Telenetworks, LLC
E. Ritter Long Distance, Inc.
 dba Ritter Long Distance, Inc.
Eastern Telecommunications, Inc.
Easton Telecom Services, L.L.C.
ECI Communications, Inc.
 dba ITS Network Services
Econodial, LLC
Electric Lightwave, Inc.
eMeritus Communications, Inc.
Encompass Communications, LLC
Enhanced Communications Group, LLC
Enhanced Communications Network, Inc.
Entrix Telecom, Inc.
Epixtar Communications Corp.
Erwin, Ronnie L. and Piper P.
ETS Payphones, Inc.
Evercom Systems, Inc.
Eztel Network Services, LLC
Foxtel, Inc.
Freedomstarr Communications, Inc.
 dba Planet Earth Communications
 dba iPhonebill.com
Frontier Communications of America, Inc.
Gates Communications, Inc.
GE Business Productivity Solutions, Inc.
 dba GE Capital Communications Services
Global Crest Communications, Inc. dba Dimensions
Global Crossing North American Networks, Inc.
Global Crossing Telecommunications, Inc.
Global Tel*Link Corporation
 dba Global Telcoin, Inc.

Interexchange Carriers and Private Pay Telephone Providers (Continued)

Globalcom, Inc.
Glyphics Communications, Inc.
Gold Line Telemanagement, Inc.
GTC Telecom
GVC Telecommunications Consulting
Horizon Telecom, Inc.
 dba Horizon Telecom of Arkansas
Horton Communications
Hunter, Jack L.
IDT America Corporation
I-Link Communications, Inc.
Infonet Telecommunications Corporation
Intelecall Communications, Inc.
Intellicall Operator Services, Inc.
Intercontinental Communications Group, Inc.
 dba Fusion Telecom
 dba Fusion-Trucker Phone
International Exchange Communications, Inc.
 dba IE Com
Interstate Telecommunications of Georgia, Inc.
Inter-Tel NetSolutions, Inc.
Jirehcom, Inc.
KDD America, Inc.
Kiger Telephone & Telephony, LLC
LCR Telecommunications, LLC
LD Exchange.Com, Inc.
LDMI Telecommunications, Inc.
 dba Fonetel
 dba LDMI Telecommunications
Least Cost Routing, Inc.
Legacy Long Distance International, Inc.
Lensing, Scott Allen
Lightyear Communications, Inc
Lightyear Telecommunications, LLC
Lindgren, David R. dba Coyote Call Payphones
Local Telcom Holdings, LLC
Lockheed Martin Global Telecommunications Services, Inc.
Long Distance Billing Services
Long Distance Consolidated Billing Co.
Long Distance Wholesale Club
Lotel, Inc.
 dba Coordinated Billing Services
Main Street Telephone Company
Matrix Telecom
Maxtel USA, Inc.
MC Telcom, Inc.
MCI WorldCom Communications, Inc.
MCI WorldCom Network Services, Inc.
Mercury Long Distance, Inc.
Midessa Communications Management Systems, Inc.
Miko Telephone Communications, Inc.
NATCO Technologies, Inc.
Natel, LLC
National Accounts, Inc.
National Directory Assistance, LLC

National Telephone Company, LLC
NECC Telecom, Inc.
Net One International, Inc.
Netlojix Telecom, Inc.
Network Billing Systems, LLC
Network Communications International Corp.
Network Operator Services, Inc.
Network Services Group, Inc.
Network US, Inc.
 dba CA Affinity
New Century Telecom, Inc.
NobelTel, LLC
Norcom, Inc.
Norstan Network Services, Inc.
North By NortheastCom LLC
NOSVA Limited Partnership
 dba CierraCom Systems
Nowell Communications
NUI Telecom, Inc.
NYNEX Long Distance Company
 dba Verizon Enterprise Solutions
OCMC, Inc
 dba Opticom
 dba 1-800-Max Save
 dba Advantel
 dba LiveTel
 dba Region Tel
 dba SuperTel
Onestar Long Distance, Inc.
Operator Communications, Inc.
 dba Oncor Communications, Inc.
Operator Service Company
OPEX Communications, Inc.
Optical Telephone Corporation
Paetec Communication, Inc.
PAR Phones
Payphones of Arkansas, LLC
Paytel, Inc.
PDS, Inc.
 dba Phone Debit Systems, Inc.
PF.Net Network Services Corporation
Phonetel Technologies, Inc.
PNG Telecommunications, Inc.
 dba PowerNet Global Communications
Power-Finder West Communications, LLC
Powertel/Memphis, Inc.
Premiere Communications, Inc.
Primus Telecommunications, Inc.
Promise-Net International, LTD
Promisevision Technology, Inc.
Pruitt, Dewey
PT-1 Communications
Public Communications Services, Inc.
Qwest Communications Corporation
QX Telecom LLC
Radiant Telecom, Inc.
Reduced Rate Long Distance, LLC
Ridley Telephone Company, LLC

Interexchange Carriers and Private Pay Telephone Providers (Continued)

| | |
|--|---|
| RRV Enterprise, Inc. dba Consumer Access | Trans National Communications International, Inc. |
| RSL Com U.S.A., Inc. | Transcommunications Incorporated |
| Ryba, Raymond and Pamela | Tri-M Communications dba TMC Communications |
| Single Billing Services, Inc. dba Asian American Association | Trotter, Jay Michael |
| Skokos, Douglas K. dba Diller Payphone | TTI National, Inc. |
| Smartstop, Inc. | UKI Communications, Inc. |
| Sonix4U, Inc. | United Communications Hub, Inc. |
| Southwestern Bell Communications Services, Inc. dba Nevada Bell Long Distance | United States Advanced Network, Inc. |
| dba Pacific Bell Long Distance | United Systems Access Telecom, Inc. |
| dba SBC Long Distance | Uni-Tel Communications Group, Inc. |
| dba Southwestern Bell Long Distance | Unity Communications, Inc. |
| Special Accounts Billing Group, Inc. | Univance Telecommunications, Inc. |
| Sprint Payphone Services, Inc. | Universal Broadband Communications, Inc. dba Business Savings Plan |
| Starlink Telecom Corporation | US LEC Communications Inc. |
| Startec Global Licensing Company | US South Communications, Inc. dba Incomm dba US South |
| Styron, Mark A. dba Texas Inmate Phone Communications | USA Digital Communications, Inc. |
| TDI Communications, Inc. | USLD Communications, Inc. |
| TDS Long Distance Corp. | UTI Incorporated |
| Telaleasing Enterprises, Inc. | Valor Telecommunications LD, LLC |
| Telco Partners, Inc. | Value-Added Communications, Inc. |
| Telecare, Inc. | Viva Telecom, LLC |
| TelecomEZ Corporation | W2COM International, LLC |
| Telecommunications Cooperative Network, Inc. | West, Connie |
| Telecommunications Resources, Inc. dba Telecommunications Resources of Missouri, Inc. | Westel, Inc. |
| Teleconnect Long Distance Services and System Company dba Telcom*USA | Wholesale Carrier Services, Inc. |
| Tele-Connect, Inc. | Williams Communications, LLC |
| Telefyne Incorporated | Winstar Communications, LLC |
| Telegenius, Inc. | Working Assets Long Distance |
| Teleglobe USA, Inc. | World Communications Satellite Systems, Inc. |
| Telenational Communications, Inc. | Worldxchange Corporation |
| Telephone Associates, Inc. | X2Comm, Inc. dba Discount Connect Communications |
| Telephone Company of Central Florida | XO Long Distance Services, Inc. |
| Teletrust, Inc. | Zenex Long Distance, Inc. |
| Telliss, LLC | Zone Telecom, Inc. |
| Telmex USA, LLC | |
| The Free Network, L.L.C. | |
| TLX Communications, Inc. dba Tel America Long Distance Service | |
| dba United Telephone Company | |
| T-Netix Internet Services, Inc. | |
| T-Netix Telecommunications Services, Inc. | |
| T-Netix, Inc. | |
| Ton Services, Inc. | |
| Total Call International, Inc. | |
| Touch 1 Communications, Inc. | |
| Touch America, Inc. | |
| Touchtone Communications Inc. | |
| Tralee Telephone Company, LLC | |

APPENDIX B - STATISTICAL SUMMARIES

Electric Companies - Arkansas Only Plant Investment; Operating Revenues Year Ended December 31, 2001

| Company | Plant Investment | Operating Revenues | Ratio (%) Operating Revenues/Investment |
|---|------------------|--------------------|---|
| Arkansas Electric Cooperative Corp. | \$1,092,427,478 | \$414,750,558 | 37.97% |
| Arkansas Valley Electric Cooperative Corp. | \$144,921,070 | \$58,141,626 | 40.12% |
| Ashley-Chicot Electric Cooperative | \$22,699,531 | \$7,584,403 | 33.41% |
| C & L Electric Cooperative Corp. | \$65,863,479 | \$25,584,498 | 38.84% |
| Carroll Electric Cooperative Corp. | \$201,342,043 | \$72,680,825 | 36.10% |
| Clay County Electric Cooperative Corp. | \$42,466,684 | \$14,658,392 | 34.52% |
| Craighead Electric Cooperative Corp. | \$88,470,751 | \$32,441,586 | 36.67% |
| Empire District Electric Company | \$14,482,678 | \$7,810,817 | 53.93% |
| Entergy Arkansas, Inc. | \$5,628,690,352 | \$1,734,898,247 | 30.82% |
| Farmers Electric Cooperative Corp. | \$13,722,576 | \$5,660,231 | 41.25% |
| First Electric Cooperative Corp. | \$235,231,643 | \$99,616,026 | 42.35% |
| Mississippi County Electric Cooperative | \$21,074,225 | \$90,684,433 | 430.31% |
| North Arkansas Electric Cooperative | \$113,775,220 | \$39,493,889 | 34.71% |
| Oklahoma Gas and Electric Company | \$190,347,347 | \$149,725,574 | 78.66% |
| Ouachita Electric Cooperative Corp. | \$38,097,683 | \$15,382,430 | 40.38% |
| Ozarks Electric Cooperative Corp. | \$140,964,207 | \$49,783,143 | 35.32% |
| Petit Jean Electric Cooperative Corp. | \$57,392,955 | \$19,066,778 | 33.22% |
| Rich Mountain Electric Cooperative | \$28,323,105 | \$8,498,910 | 30.01% |
| South Central Arkansas Electric Cooperative | \$35,347,350 | \$13,743,568 | 38.88% |
| Southwest Arkansas Electric Cooperative | \$102,496,926 | \$37,384,433 | 36.47% |
| Southwestern Electric Power Company | \$473,403,016 | \$575,829,904 | 121.64% |
| Woodruff Electric Cooperative Corp. | \$81,890,191 | \$28,090,576 | 34.30% |
| TOTALS | \$8,833,430,510 | \$3,501,510,847 | 39.64% |

Electric Companies - Arkansas Only
Customers; kWh Sold; Revenues
Year Ended December 31, 2001

| Company | No. of Customers | kWh Sold | Revenues | Average Revenues Per Customer | Average kWh Per Customer |
|---|------------------|----------------|---------------|----------------------------------|-----------------------------|
| Arkansas Electric Cooperative Corporation | | | | | |
| Residential | 0 | 0 | \$0 | \$0 | 0 |
| Irrigation | 0 | 0 | \$0 | \$0 | 0 |
| Commercial | 0 | 0 | \$0 | \$0 | 0 |
| Industrial | 0 | 0 | \$0 | \$0 | 0 |
| Public Authority | 0 | 0 | \$0 | \$0 | 0 |
| Totals Retail | 0 | 0 | \$0 | \$0 | 0 |
| Wholesale | 18 | 11,548,679,000 | \$414,584,394 | \$23,032,466 | 641,593,278 |
| <i>Other Revenues</i> | N/A | N/A | \$166,164 | N/A | N/A |
| TOTALS | 18 | 11,548,679,000 | \$414,750,558 | N/A | N/A |
| Arkansas Valley Electric Cooperative Corporation | | | | | |
| Residential | 42,994 | 615,785,016 | \$42,682,337 | \$993 | 14,323 |
| Irrigation | 0 | 0 | \$0 | \$0 | 0 |
| Commercial | 2,220 | 85,822,414 | \$5,659,850 | \$2,549 | 38,659 |
| Industrial | 18 | 204,208,120 | \$7,664,029 | \$425,779 | 11,344,896 |
| Public Authority | 575 | 17,880,122 | \$1,204,197 | \$2,094 | 31,096 |
| Totals Retail | 45,807 | 923,695,672 | \$57,210,413 | \$1,249 | 20,165 |
| Wholesale | | 0 | \$0 | \$0 | 0 |
| <i>Other Revenues</i> | N/A | N/A | \$931,213 | N/A | N/A |
| TOTALS | 45,807 | 923,695,672 | \$58,141,626 | N/A | N/A |
| Ashley-Chicot Electric Cooperative | | | | | |
| Residential | 3,828 | 50,804,952 | \$4,185,920 | \$1,094 | 13,272 |
| Irrigation | 237 | 9,325,272 | \$891,800 | \$3,763 | 39,347 |
| Commercial | 1,053 | 27,459,765 | \$2,182,963 | \$2,073 | 26,078 |
| Industrial | 0 | 0 | \$0 | \$0 | 0 |
| Public Authority | 18 | 783,710 | \$63,858 | \$3,548 | 43,539 |
| Totals Retail | 5,136 | 88,373,699 | \$7,324,541 | \$1,426 | 17,207 |
| Wholesale | 0 | 0 | \$0 | \$0 | 0 |
| <i>Other Revenues</i> | N/A | N/A | \$259,862 | N/A | N/A |
| TOTALS | 5,136 | 88,373,699 | \$7,584,403 | N/A | N/A |

Electric Companies - Arkansas Only
Customers; kWh Sold; Revenues
Year Ended December 31, 2001

| Company | No. of Customers | kWh Sold | Revenues | Average Revenues Per Customer | Average kWh Per Customer |
|---|------------------|-------------|--------------|----------------------------------|-----------------------------|
| C&L Electric Cooperative Corporation | | | | | |
| Residential | 17,945 | 223,429,522 | \$18,553,151 | \$1,034 | 12,451 |
| Irrigation | 475 | 4,947,925 | \$645,571 | \$1,359 | 10,417 |
| Commercial | 1,521 | 52,629,568 | \$3,971,180 | \$2,611 | 34,602 |
| Industrial | 9 | 23,781,362 | \$1,409,480 | \$156,609 | 2,642,374 |
| Public Authority | 380 | 6,369,655 | \$510,874 | \$1,344 | 16,762 |
| Totals Retail | 20,330 | 311,158,032 | \$25,090,256 | \$1,234 | 15,305 |
| Wholesale | 0 | 0 | \$0 | \$0 | 0 |
| <i>Other Revenues</i> | N/A | N/A | \$494,242 | N/A | N/A |
| TOTALS | 20,330 | 311,158,032 | \$25,584,498 | N/A | N/A |

Carroll Electric Cooperative Corporation

| | | | | | |
|-----------------------|--------|---------------|--------------|-----------|------------|
| Residential | 53,156 | 734,946,108 | \$52,087,792 | \$980 | 13,826 |
| Irrigation | 0 | 0 | \$0 | \$0 | 0 |
| Commercial | 3,777 | 196,571,999 | \$11,367,826 | \$3,010 | 52,044 |
| Industrial | 8 | 201,667,618 | \$7,418,821 | \$927,353 | 25,208,452 |
| Public Authority | 53 | 3,163,077 | \$242,012 | \$4,566 | 59,681 |
| Totals Retail | 56,994 | 1,136,348,802 | \$71,116,451 | \$1,248 | 19,938 |
| Wholesale | 0 | 0 | \$0 | \$0 | 0 |
| <i>Other Revenues</i> | N/A | N/A | \$1,564,374 | N/A | N/A |
| TOTALS | 56,994 | 1,136,348,802 | \$72,680,825 | N/A | N/A |

Clay County Electric Cooperative Corporation

| | | | | | |
|-----------------------|--------|-------------|--------------|-----------|-----------|
| Residential | 10,259 | 102,730,061 | \$8,381,326 | \$817 | 10,014 |
| Irrigation | 608 | 3,830,579 | \$385,901 | \$635 | 6,300 |
| Commercial | 1,052 | 47,814,902 | \$3,534,583 | \$3,360 | 45,451 |
| Industrial | 11 | 32,425,520 | \$2,081,635 | \$189,240 | 2,947,775 |
| Public Authority | 92 | 1,793,031 | \$144,885 | \$1,575 | 19,489 |
| Totals Retail | 12,022 | 188,594,093 | \$14,528,330 | \$1,208 | 15,687 |
| Wholesale | 0 | 0 | \$0 | \$0 | 0 |
| <i>Other Revenues</i> | N/A | N/A | \$130,062 | N/A | N/A |
| TOTALS | 12,022 | 188,594,093 | \$14,658,392 | N/A | N/A |

**Electric Companies - Arkansas Only
Customers; kWh Sold; Revenues
Year Ended December 31, 2001**

| Company | No. of Customers | kWh Sold | Revenues | Average Revenues Per Customer | Average kWh Per Customer |
|---|-------------------------|-----------------|-----------------|--|-------------------------------------|
| Craighead Electric Cooperative Corporation | | | | | |
| Residential | 21,106 | 294,030,506 | \$22,839,524 | \$1,082 | 13,931 |
| Irrigation | 919 | 11,258,340 | \$1,230,035 | \$1,338 | 12,251 |
| Commercial | 4,199 | 82,527,282 | \$6,406,485 | \$1,526 | 19,654 |
| Industrial | 7 | 23,297,694 | \$1,417,812 | \$202,545 | 3,328,242 |
| Public Authority | 26 | 613,553 | \$58,087 | \$2,234 | 23,598 |
| Totals Retail | 26,257 | 411,727,375 | \$31,951,943 | \$1,217 | 15,681 |
| Wholesale | 0 | 0 | \$0 | \$0 | 0 |
| <i>Other Revenues</i> | N/A | N/A | \$489,643 | N/A | N/A |
| TOTALS | 26,257 | 411,727,375 | \$32,441,586 | N/A | N/A |
| Empire District Electric Company | | | | | |
| Residential | 3,062 | 34,481,604 | \$2,508,723 | \$819 | 11,261 |
| Irrigation | 0 | 0 | \$0 | \$0 | 0 |
| Commercial | 625 | 30,752,654 | \$2,006,365 | \$3,210 | 49,204 |
| Industrial | 9 | 62,473,525 | \$2,782,407 | \$309,156 | 6,941,503 |
| Public Authority | 80 | 3,898,792 | \$246,517 | \$3,081 | 48,735 |
| Totals Retail | 3,776 | 131,606,575 | \$7,544,012 | \$1,998 | 34,853 |
| Wholesale | 1 | 3,520,624 | \$129,243 | \$129,243 | 3,520,624 |
| <i>Other Revenues</i> | N/A | N/A | \$137,562 | N/A | N/A |
| TOTALS | 3,777 | 135,127,199 | \$7,810,817 | N/A | N/A |
| Entergy Arkansas, Inc. | | | | | |
| Residential | 547,950 | 6,917,777,684 | \$586,342,530 | \$1,070 | 12,625 |
| Irrigation | 0 | 0 | \$0 | \$0 | 0 |
| Commercial | 77,496 | 5,161,919,668 | \$329,426,566 | \$4,251 | 66,609 |
| Industrial | 22,237 | 7,051,715,601 | \$370,770,574 | \$16,674 | 317,116 |
| Public Authority | 502 | 245,335,215 | \$16,148,555 | \$32,168 | 488,716 |
| Totals Retail | 648,185 | 19,376,748,168 | \$1,302,688,225 | \$2,010 | 29,894 |
| Wholesale | 15 | 10,631,668,993 | \$399,337,345 | \$26,622,490 | 708,777,933 |
| <i>Other Revenues</i> | N/A | N/A | \$32,872,677 | N/A | N/A |
| TOTALS | 648,200 | 30,008,417,161 | \$1,734,898,247 | N/A | N/A |

**Electric Companies - Arkansas Only
Customers; kWh Sold; Revenues
Year Ended December 31, 2001**

| Company | No. of Customers | kWh Sold | Revenues | Average Revenues Per Customer | Average kWh Per Customer |
|---|-------------------------|----------------------|---------------------|--|-------------------------------------|
| Farmers Electric Cooperative Corporation | | | | | |
| Residential | 4,271 | 49,135,713 | \$3,630,408 | \$850 | 11,504 |
| Irrigation | 448 | 9,234,777 | \$1,019,251 | \$2,275 | 20,613 |
| Commercial | 513 | 17,012,127 | \$895,982 | \$1,747 | 33,162 |
| Industrial | 0 | 0 | \$0 | \$0 | 0 |
| Public Authority | 10 | 417,240 | \$24,032 | \$2,403 | 41,724 |
| Totals Retail | 5,242 | 75,799,857 | \$5,569,673 | \$1,063 | 14,460 |
| Wholesale | 0 | 0 | \$0 | \$0 | 0 |
| <i>Other Revenues</i> | <i>N/A</i> | <i>N/A</i> | <i>\$90,558</i> | <i>N/A</i> | <i>N/A</i> |
| TOTALS | 5,242 | 75,799,857 | \$5,660,231 | N/A | N/A |
| First Electric Cooperative Corporation | | | | | |
| Residential | 65,356 | 901,334,664 | \$73,656,011 | \$1,127 | 13,791 |
| Irrigation | 459 | 38,932,323 | \$3,259,387 | \$7,101 | 84,820 |
| Commercial | 2,471 | 162,069,461 | \$11,249,369 | \$4,553 | 65,589 |
| Industrial | 2 | 253,668,495 | \$8,304,145 | \$4,152,073 | 126,834,248 |
| Public Authority | 387 | 21,428,474 | \$1,426,508 | \$3,686 | 55,371 |
| Totals Retail | 68,675 | 1,377,433,417 | \$97,895,420 | \$1,425 | 20,057 |
| Wholesale | 0 | 0 | \$0 | \$0 | 0 |
| <i>Other Revenues</i> | <i>N/A</i> | <i>N/A</i> | <i>\$1,720,606</i> | <i>N/A</i> | <i>N/A</i> |
| TOTALS | 68,675 | 1,377,433,417 | \$99,616,026 | N/A | N/A |
| Mississippi County Electric Cooperative | | | | | |
| Residential | 3,591 | 53,525,389 | \$3,088,787 | \$860 | 14,905 |
| Irrigation | 194 | 4,225,552 | \$254,297 | \$1,311 | 21,781 |
| Commercial | 479 | 16,452,230 | \$878,864 | \$1,835 | 34,347 |
| Industrial | 19 | 2,938,024,237 | \$86,319,619 | \$4,543,138 | 154,632,855 |
| Public Authority | 41 | 1,652,269 | \$102,320 | \$2,496 | 40,299 |
| Totals Retail | 4,324 | 3,013,879,677 | \$90,643,887 | \$20,963 | 697,012 |
| Wholesale | 0 | 0 | \$0 | \$0 | 0 |
| <i>Other Revenues</i> | <i>N/A</i> | <i>N/A</i> | <i>\$40,546</i> | <i>N/A</i> | <i>N/A</i> |
| TOTALS | 4,324 | 3,013,879,677 | \$90,684,433 | N/A | N/A |

**Electric Companies - Arkansas Only
Customers; kWh Sold; Revenues
Year Ended December 31, 2001**

| Company | No. of Customers | kWh Sold | Revenues | Average Revenues Per Customer | Average kWh Per Customer |
|--|-------------------------|----------------------|----------------------|--|-------------------------------------|
| North Arkansas Electric Cooperative | | | | | |
| Residential | 28,920 | 349,466,109 | \$28,287,419 | \$978 | 12,084 |
| Irrigation | 0 | 0 | \$0 | \$0 | 0 |
| Commercial | 2,282 | 89,987,087 | \$6,190,774 | \$2,713 | 39,433 |
| Industrial | 5 | 83,479,646 | \$4,118,974 | \$823,795 | 16,695,929 |
| Public Authority | 328 | 5,728,809 | \$467,187 | \$1,424 | 17,466 |
| Totals Retail | 31,535 | 528,661,651 | \$39,064,354 | \$1,239 | 16,764 |
| Wholesale | 0 | 0 | \$0 | \$0 | 0 |
| <i>Other Revenues</i> | <i>N/A</i> | <i>N/A</i> | <i>\$429,535</i> | <i>N/A</i> | <i>N/A</i> |
| TOTALS | 31,535 | 528,661,651 | \$39,493,889 | N/A | N/A |
| Oklahoma Gas and Electric Company | | | | | |
| Residential | 50,979 | 677,252,379 | \$42,987,808 | \$843 | 13,285 |
| Irrigation | 0 | 0 | \$0 | \$0 | 0 |
| Commercial | 7,941 | 712,436,176 | \$32,451,719 | \$4,087 | 89,716 |
| Industrial | 425 | 1,095,680,794 | \$38,941,473 | \$91,627 | 2,578,072 |
| Public Authority | 1,068 | 114,225,556 | \$6,141,459 | \$5,750 | 106,953 |
| Totals Retail | 60,413 | 2,599,594,905 | \$120,522,459 | \$1,995 | 43,030 |
| Wholesale | 22 | 766,062,303 | \$28,333,376 | \$1,287,881 | 34,821,014 |
| <i>Other Revenues</i> | <i>N/A</i> | <i>N/A</i> | <i>\$869,739</i> | <i>N/A</i> | <i>N/A</i> |
| TOTALS | 60,435 | 3,365,657,208 | \$149,725,574 | N/A | N/A |
| Ouachita Electric Cooperative Corporation | | | | | |
| Residential | 8,166 | 94,411,161 | \$7,706,258 | \$944 | 11,561 |
| Irrigation | 0 | 0 | \$0 | \$0 | 0 |
| Commercial | 912 | 55,732,301 | \$3,750,041 | \$4,112 | 61,110 |
| Industrial | 10 | 72,017,470 | \$3,562,271 | \$356,227 | 7,201,747 |
| Public Authority | 214 | 2,330,261 | \$187,687 | \$877 | 10,889 |
| Totals Retail | 9,302 | 224,491,193 | \$15,206,257 | \$1,635 | 24,134 |
| Wholesale | 0 | 0 | \$0 | \$0 | 0 |
| <i>Other Revenues</i> | <i>N/A</i> | <i>N/A</i> | <i>\$176,173</i> | <i>N/A</i> | <i>N/A</i> |
| TOTALS | 9,302 | 224,491,193 | \$15,382,430 | N/A | N/A |

Electric Companies - Arkansas Only
Customers; kWh Sold; Revenues
Year Ended December 31, 2001

| Company | No. of Customers | kWh Sold | Revenues | Average Revenues Per Customer | Average kWh Per Customer |
|--|-------------------------|--------------------|---------------------|--|-------------------------------------|
| Ozark Electric Cooperative Corporation | | | | | |
| Residential | 39,012 | 522,131,143 | \$35,738,524 | \$916 | 13,384 |
| Irrigation | 0 | 0 | \$0 | \$0 | 0 |
| Commercial | 1,267 | 123,718,811 | \$7,973,525 | \$6,293 | 97,647 |
| Industrial | 11 | 82,267,280 | \$4,248,374 | \$386,216 | 7,478,844 |
| Public Authority | 225 | 15,277,712 | \$1,113,542 | \$4,949 | 67,901 |
| Totals Retail | 40,515 | 743,394,946 | \$49,073,965 | \$1,211 | 18,349 |
| Wholesale | 0 | 0 | \$0 | \$0 | 0 |
| <i>Other Revenues</i> | <i>N/A</i> | <i>N/A</i> | <i>\$709,178</i> | <i>N/A</i> | <i>N/A</i> |
| TOTALS | 40,515 | 743,394,946 | \$49,783,143 | N/A | N/A |
| Petit Jean Electric Cooperative Corporation | | | | | |
| Residential | 16,016 | 174,713,311 | \$13,959,879 | \$872 | 10,909 |
| Irrigation | 0 | 0 | \$0 | \$0 | 0 |
| Commercial | 1,330 | 50,575,362 | \$3,364,974 | \$2,530 | 38,027 |
| Industrial | 10 | 21,604,200 | \$1,159,660 | \$115,966 | 2,160,420 |
| Public Authority | 297 | 5,332,152 | \$430,780 | \$1,450 | 17,953 |
| Totals Retail | 17,653 | 252,225,025 | \$18,915,293 | \$1,072 | 14,288 |
| Wholesale | 0 | 0 | \$0 | \$0 | 0 |
| <i>Other Revenues</i> | <i>N/A</i> | <i>N/A</i> | <i>\$151,485</i> | <i>N/A</i> | <i>N/A</i> |
| TOTALS | 17,653 | 252,225,025 | \$19,066,778 | N/A | N/A |
| Rich Mountain Electric Cooperative | | | | | |
| Residential | 6,946 | 91,702,618 | \$7,517,068 | \$1,082 | 13,202 |
| Irrigation | 0 | 0 | \$0 | \$0 | 0 |
| Commercial | 332 | 11,942,755 | \$891,861 | \$2,686 | 35,972 |
| Industrial | 0 | 0 | \$0 | \$0 | #DIV/0! |
| Public Authority | 0 | 0 | \$0 | \$0 | 0 |
| Totals Retail | 7,278 | 103,645,373 | \$8,408,929 | \$1,155 | 14,241 |
| Wholesale | 0 | 0 | \$0 | \$0 | 0 |
| <i>Other Revenues</i> | <i>N/A</i> | <i>N/A</i> | <i>\$89,981</i> | <i>N/A</i> | <i>N/A</i> |
| TOTALS | 7,278 | 103,645,373 | \$8,498,910 | N/A | N/A |

Electric Companies - Arkansas Only
Customers; kWh Sold; Revenues
Year Ended December 31, 2001

| Company | No. of Customers | kWh Sold | Revenues | Average Revenues Per Customer | Average kWh Per Customer |
|--|------------------|----------------------|----------------------|----------------------------------|-----------------------------|
| South Central Arkansas Electric Cooperative | | | | | |
| Residential | 8,974 | 101,219,040 | \$7,495,511 | \$835 | 11,279 |
| Irrigation | 1 | 107,840 | \$10,937 | \$10,937 | 107,840 |
| Commercial | 492 | 13,762,657 | \$983,195 | \$1,998 | 27,973 |
| Industrial | 8 | 121,605,872 | \$5,173,655 | \$646,707 | 15,200,734 |
| Public Authority | 8 | 190,632 | \$17,048 | \$2,131 | 23,829 |
| Totals Retail | 9,483 | 236,886,041 | \$13,680,346 | \$1,443 | 24,980 |
| Wholesale | 0 | 0 | \$0 | \$0 | 0 |
| <i>Other Revenues</i> | <i>N/A</i> | <i>N/A</i> | <i>\$63,222</i> | <i>N/A</i> | <i>N/A</i> |
| TOTALS | 9,483 | 236,886,041 | \$13,743,568 | N/A | N/A |
| Southwest Arkansas Electric Cooperative Corporation | | | | | |
| Residential | 21,786 | 295,216,584 | \$21,905,070 | \$1,005 | 13,551 |
| Irrigation | 0 | 0 | \$0 | \$0 | 0 |
| Commercial | 1,685 | 68,469,040 | \$4,884,768 | \$2,899 | 40,634 |
| Industrial | 6 | 194,726,934 | \$9,630,569 | \$1,605,095 | 32,454,489 |
| Public Authority | 481 | 5,343,102 | \$404,227 | \$840 | 11,108 |
| Totals Retail | 23,958 | 563,755,660 | \$36,824,634 | \$1,537 | 23,531 |
| Wholesale | 0 | 0 | \$0 | \$0 | 0 |
| <i>Other Revenues</i> | <i>N/A</i> | <i>N/A</i> | <i>\$559,799</i> | <i>N/A</i> | <i>N/A</i> |
| TOTALS | 23,958 | 563,755,660 | \$37,384,433 | N/A | N/A |
| Southwestern Electric Power Company | | | | | |
| Residential | 85,804 | 963,274,662 | \$61,374,636 | \$715 | 11,226 |
| Irrigation | 0 | 0 | \$0 | \$0 | 0 |
| Commercial | 14,040 | 920,374,307 | \$46,653,309 | \$3,323 | 65,554 |
| Industrial | 580 | 1,808,612,512 | \$71,701,600 | \$123,623 | 3,118,297 |
| Public Authority | 1,002 | 106,816,273 | \$8,343,877 | \$8,327 | 106,603 |
| Totals Retail | 101,426 | 3,799,077,754 | \$188,073,422 | \$1,854 | 37,457 |
| Wholesale | 2 | 1,427,862,674 | \$374,706,763 | \$187,353,382 | 713,931,337 |
| <i>Other Revenues</i> | <i>N/A</i> | <i>N/A</i> | <i>\$13,049,719</i> | <i>N/A</i> | <i>N/A</i> |
| TOTALS | 101,428 | 5,226,940,428 | \$575,829,904 | N/A | N/A |

Electric Companies - Arkansas Only
Customers; kWh Sold; Revenues
Year Ended December 31, 2001

| Company | No. of Customers | kWh Sold | Revenues | Average Revenues Per Customer | Average kWh Per Customer |
|--|-------------------------|-----------------|------------------|--|-------------------------------------|
| Woodruff Electric Cooperative Corporation | | | | | |
| Residential | 13,901 | 178,241,929 | \$14,802,747 | \$1,065 | 12,822 |
| Irrigation | 3,930 | 60,822,994 | \$5,129,915 | \$1,305 | 15,477 |
| Commercial | 679 | 55,549,312 | \$4,219,808 | \$6,215 | 81,810 |
| Industrial | 9 | 69,952,200 | \$3,520,608 | \$391,179 | 7,772,467 |
| Public Authority | 10 | 329,164 | \$33,886 | \$3,389 | 32,916 |
| Totals Retail | 18,529 | 364,895,599 | \$27,706,964 | \$1,495 | 19,693 |
| Wholesale | 0 | 0 | \$0 | \$0 | 0 |
| Other Revenues | N/A | N/A | \$383,612 | N/A | N/A |
| TOTALS | 18,529 | 364,895,599 | \$28,090,576 | N/A | N/A |
| Industry Totals | | | | | |
| Retail | 1,216,840 | 36,451,993,514 | \$2,229,039,774 | \$1,832 | 29,956 |
| Wholesale | 58 | 24,377,793,594 | \$1,217,091,121 | \$20,984,330 | 420,306,786 |
| Other Revenues | N/A | N/A | \$55,379,952 | N/A | N/A |
| TOTALS | 1,216,898 | 60,829,787,108 | \$3,501,510,847 | N/A | N/A |

Gas Companies - Arkansas Only
Plant Investment; Operating Revenues
Year Ended December 31, 2001

| Company | Plant Investment | Operating Revenues | Ratio (%) Operating Revenues/Investment |
|---|-------------------------|---------------------------|--|
| Arkansas Oklahoma Gas Corporation | \$71,387,430 | \$66,901,062 | 94% |
| Arkansas Western Gas Company Northwest and Northeast Ark. Regions | \$217,349,886 | \$147,282,065 | 68% |
| CenterPoint Energy Arkla, a division of CenterPoint Energy Resources Corp. | \$456,180,554 | \$444,065,081 | 97% |
| TOTALS | \$744,917,870 | \$658,248,208 | 88% |

**Gas Companies - Arkansas Only
Customers; Mcf Sold; Revenues
Year Ended December 31, 2001**

| Company | No. of Customers | MCF Sold | Revenues | Average Revenues Per Customer | Average MCF Per Customer |
|---|-------------------------|-----------------|-----------------|--|-------------------------------------|
| Arkansas Oklahoma Gas Corporation | | | | | |
| Residential | 41,567 | 3,259,633 | 31,704,589 | \$763 | 78 |
| Commercial | 5,435 | 3,781,055 | 29,543,240 | \$5,436 | 696 |
| Industrial | 9 | 4,303,089 | 3,418,326 | \$379,814 | 478,121 |
| Public Authority | 5 | 74,492 | 589,556 | \$117,911 | 14,898 |
| <i>Totals Without Other Revenues</i> | 47,016 | 11,418,269 | 65,255,711 | \$1,388 | 243 |
| Other Revenues | N/A | N/A | 1,645,351 | N/A | N/A |
| TOTALS | 47,016 | 11,418,269 | 66,901,062 | N/A | N/A |
| Arkansas Western Gas Company - Northwest and Northeast Arkansas Regions | | | | | |
| Residential | 117,765 | 8,403,357 | 77,061,161 | \$654 | 71 |
| Commercial | 16,018 | 6,041,062 | 47,947,486 | \$2,993 | 377 |
| Industrial | 215 | 2,475,054 | 15,339,773 | \$71,348 | 11,512 |
| Public Authority | 0 | 0 | 0 | \$0 | 0 |
| <i>Totals Without Other Revenues</i> | 133,998 | 16,919,473 | 140,348,420 | \$1,047 | 126 |
| Other Revenues | N/A | N/A | 6,933,645 | N/A | N/A |
| TOTALS | 133,998 | 16,919,473 | 147,282,065 | N/A | N/A |
| CenterPoint Energy Arkla, a division of CenterPoint Energy Resources Corp. | | | | | |
| Residential | 389,126 | 25,373,425 | 259,827,980 | \$668 | 65 |
| Commercial & Industrial | 50,297 | 21,817,554 | 164,214,312 | \$3,265 | 434 |
| Public Authority | 0 | 0 | 0 | \$0 | 0 |
| <i>Totals Without Other Revenues</i> | 439,423 | 47,190,979 | 424,042,292 | \$965 | 107 |
| Other Revenues | N/A | N/A | 20,022,789 | N/A | N/A |
| TOTALS | 439,423 | 47,190,979 | 444,065,081 | N/A | N/A |
| <i>Industry Totals Without Other Revenues</i> | 620,437 | 75,528,721 | 629,646,423 | N/A | N/A |
| INDUSTRY TOTALS | 620,437 | 75,528,721 | 658,248,208 | N/A | N/A |

Incumbent Local Exchange Carriers (ILEC) - Arkansas Only
Revenues
Year Ended December 31, 2001

| Company | Arkansas | Less | Arkansas Revenues |
|--|-----------------|---------------------|-------------------|
| | Gross Revenues | Interstate Revenues | |
| ALLTEL of Arkansas, Inc. | \$95,346,361 | \$22,354,624 | \$72,991,737 |
| Arkansas Telephone Company, Inc. | \$5,679,397 | \$1,934,700 | \$3,744,697 |
| Central Arkansas Telephone Cooperative | \$3,220,425 | \$1,258,987 | \$1,961,438 |
| CenturyTel of Arkansas, Inc. | \$24,739,555 | \$13,656,009 | \$11,083,546 |
| CenturyTel of Central Arkansas, LLC | \$85,970,584 | \$29,231,034 | \$56,739,550 |
| CenturyTel of Mountain Home, Inc. | \$21,080,251 | \$10,031,075 | \$11,049,176 |
| CenturyTel of Northwest Arkansas, LLC | \$83,121,973 | \$27,607,233 | \$55,514,740 |
| CenturyTel of Northwest Louisiana, Inc. | \$379,072 | \$262,877 | \$116,195 |
| CenturyTel of Redfield, Inc. | \$3,401,548 | \$819,842 | \$2,581,706 |
| CenturyTel of South Arkansas, Inc. | \$1,480,444 | \$723,278 | \$757,166 |
| Cleveland County Telephone Company | \$4,772,545 | \$1,242,910 | \$3,529,635 |
| Decatur Telephone Company | \$1,606,101 | \$366,246 | \$1,239,855 |
| E. Ritter Telephone Company dba Ritter Telephone Company | \$4,577,981 | \$1,520,605 | \$3,057,376 |
| Lavaca Telephone Company, Inc. dba Pinnacle Communications | \$1,984,395 | \$457,206 | \$1,527,189 |
| Madison County Telephone Company | \$3,928,435 | \$1,434,080 | \$2,494,355 |
| Magazine Telephone Company | \$766,481 | \$461,392 | \$305,089 |
| Mountain View Telephone Company | \$5,203,871 | \$2,039,680 | \$3,164,191 |
| Northern Arkansas Telephone Company, Inc. | \$13,240,057 | \$4,962,523 | \$8,277,534 |
| Ozark Telephone Company of Missouri | \$151,005 | \$106,596 | \$44,409 |
| Prairie Grove Telephone Company | \$9,013,530 | \$2,276,014 | \$6,737,516 |
| Rice Belt Telephone Company, Inc. | \$1,112,446 | \$421,102 | \$691,344 |
| Scott County Telephone Co., Inc. | \$545,247 | \$391,984 | \$153,263 |
| South Arkansas Telephone Company, Inc. | \$5,015,429 | \$1,915,738 | \$3,099,691 |
| Southwest Arkansas Telephone Cooperative | \$7,283,464 | \$3,851,989 | \$3,431,475 |
| Southwestern Bell Telephone, L.P. | \$765,172,749 | \$197,275,548 | \$567,897,201 |
| Tri-County Telephone Company, Inc. | \$8,863,132 | \$3,882,187 | \$4,980,945 |
| Valor Telecommunications of Texas, LP | \$5,480,615 | \$1,231,632 | \$4,248,983 |
| Walnut Hill Telephone Company | \$10,040,392 | \$5,728,005 | \$4,312,387 |
| Yelcot Telephone Company | \$5,193,491 | \$2,198,180 | \$2,995,311 |
| Yell County Telephone Company | \$6,299,755 | \$2,767,955 | \$3,531,800 |
| TOTALS | \$1,184,670,731 | \$342,411,231 | \$842,259,500 |

Incumbent Local Exchange Carriers (ILEC) - Arkansas Only
Access Lines
Year Ended December 31, 2001

| Company | Residential & Rural | Business | Total Lines |
|---|--------------------------------|-----------------|--------------------|
| ALLTEL of Arkansas, Inc. | 84,973 | 24,027 | 109,000 |
| Arkansas Telephone Company, Inc. | 7,268 | 1,658 | 8,926 |
| Central Arkansas Telephone Cooperative | 2,925 | 439 | 3,364 |
| CenturyTel of Arkansas, Inc. | 15,499 | 3,836 | 19,335 |
| CenturyTel of Central Arkansas, LLC | 71,391 | 15,479 | 86,870 |
| CenturyTel of Mountain Home, Inc. | 17,679 | 5,196 | 22,875 |
| CenturyTel of Northwest Arkansas, LLC | 102,455 | 29,536 | 131,991 |
| CenturyTel of Northwest Louisiana, Inc. | 304 | 45 | 349 |
| CenturyTel of Redfield, Inc. | 1,842 | 242 | 2,084 |
| CenturyTel of South Arkansas, Inc. | 679 | 127 | 806 |
| Cleveland County Telephone Company | 3,219 | 523 | 3,742 |
| Decatur Telephone Company | 831 | 532 | 1,363 |
| E. Ritter Telephone Company dba Ritter Telephone Company | 4,097 | 985 | 5,082 |
| Lavaca Telephone Company, Inc. dba Pinnacle Communication | 1,642 | 203 | 1,845 |
| Madison County Telephone Company | 2,862 | 896 | 3,758 |
| Magazine Telephone Company | 975 | 100 | 1,075 |
| Mountain View Telephone Company | 5,596 | 1,864 | 7,460 |
| Northern Arkansas Telephone Company, Inc. | 6,399 | 1,449 | 7,848 |
| Ozark Telephone Company of Missouri | 109 | 14 | 123 |
| Prairie Grove Telephone Company | 8,538 | 1,359 | 9,897 |
| Rice Belt Telephone Company, Inc. | 744 | 352 | 1,096 |
| Scott County Telephone Co., Inc. | 99 | 11 | 110 |
| South Arkansas Telephone Company, Inc. | 3,392 | 765 | 4,157 |
| Southwest Arkansas Telephone Cooperative | 5,261 | 592 | 5,853 |
| Southwestern Bell Telephone, L.P. | 632,185 | 341,787 | 973,972 |
| Tri-County Telephone Company, Inc. | 6,239 | 738 | 6,977 |
| Valor Telecommunications of Texas, LP | 13,451 | 4,378 | 17,829 |
| Walnut Hill Telephone Company | 4,649 | 822 | 5,471 |
| Yelcot Telephone Company | 3,071 | 1,107 | 4,178 |
| Yell County Telephone Company | 4,419 | 1,437 | 5,856 |
| TOTALS | 1,012,793 | 440,499 | 1,453,292 |

Competitive Local Exchange Carriers (CLEC) - Arkansas Only
Revenues
Year Ended December 31, 2001

| Company | Arkansas Gross Revenues | Less Interstate Revenues | Arkansas Revenues |
|--|--|---|------------------------------|
| 1-800-Reconex, Inc. | \$34,687 | \$0 | \$34,687 |
| ACSI Local Switched Services, Inc. dba as e.spire Communications | \$1,121,834 | \$0 | \$1,121,834 |
| Adelphia Business Solutions Investment, LLC | \$3,074,848 | \$377,143 | \$2,697,705 |
| Advanced TelCom, Inc. dba Advanced Telcom Group, Inc. | \$0 | \$0 | \$0 |
| ALLTEL Communications, Inc. | \$47,161,354 | \$16,276,402 | \$30,884,952 |
| American Communication Services of Little Rock, Inc. dba e.spire | \$1,425,274 | \$1,425,274 | \$0 |
| Americom, Inc. | \$0 | \$0 | \$0 |
| Annox, Inc. | \$5,357 | \$0 | \$5,357 |
| Answer Fort Smith, Inc. | \$0 | \$0 | \$0 |
| Arkansas State Telephone | \$0 | \$0 | \$0 |
| AT&T Communications of the Southwest, Inc. | \$64,143,998 | \$0 | \$64,143,998 |
| A-Tech Telecom, Inc. | \$3,881 | \$0 | \$3,881 |
| BarTel Communications, Inc. | \$7,765 | \$0 | \$7,765 |
| Basic Phone, Inc. | \$247,134 | \$0 | \$247,134 |
| Bellsouth BSE, Inc. | \$0 | \$0 | \$0 |
| Big River Telephone Company, LLC | \$248 | \$99 | \$149 |
| Brooks Fiber Communications of Arkansas, Inc. | \$672,060 | \$0 | \$672,060 |
| Business Telecom, Inc. dba BTI Telecommunications Services | \$49,635 | \$35,582 | \$14,053 |
| Buy-Tel Communications, Inc. | \$174 | \$0 | \$174 |
| CAT Communications International, Inc | \$61,216 | \$0 | \$61,216 |
| CCCAR, INC. dba Total Connect! | \$0 | \$0 | \$0 |
| CenturyTel Solutions, LLC | \$0 | \$0 | \$0 |
| Choctaw Communications, Inc. dba Smoke Signal Communications | \$716,394 | \$0 | \$716,394 |
| Ciera Network Systems, Inc. | \$152,811 | \$100,455 | \$52,356 |
| Comm South Companies, Inc. dba Arkansas Comm South, Inc. | \$2,629,274 | \$0 | \$2,629,274 |
| Connect Communications Corporation | \$8,651,137 | \$0 | \$8,651,137 |
| Credit Loans, Inc. dba Lone Star State Telephone Company | \$12,019 | \$0 | \$12,019 |
| Delta Phones, Inc. | \$3,822,431 | \$0 | \$3,822,431 |
| Digital Teleport, Inc | \$1,026,312 | \$1,026,312 | \$0 |
| dPi-Teleconnect, LLC | \$1,395,297 | \$0 | \$1,395,297 |
| DSLNet Communciations, Inc. | \$7,085 | \$0 | \$7,085 |
| DVC Enterprises, Inc. dba DVC Telecom | \$88,310 | \$0 | \$88,310 |
| Essex Communications, Inc. dba eLEC Communications | \$0 | \$0 | \$0 |
| EZ Phone, Inc. | \$1,438 | \$0 | \$1,438 |
| EZ Talk Communications, LLC | \$308,267 | \$0 | \$308,267 |
| Fairpoint Communications Solutions Corporation | \$2,549,371 | \$438,155 | \$2,111,216 |
| Global Crossing Telemanagement, Inc. | \$0 | \$0 | \$0 |
| Go-Tel, Inc. | \$406,081 | \$0 | \$406,081 |
| Group Long Distance, Inc. | \$1,628 | \$0 | \$1,628 |
| HJN Telecom, Inc. | \$0 | \$0 | \$0 |
| HomeTel, Inc. | \$1,708,456 | \$0 | \$1,708,456 |

Competitive Local Exchange Carriers (CLEC) - Arkansas Only
Revenues
Year Ended December 31, 2001

| Company | Arkansas Gross Revenues | Less Interstate Revenues | Arkansas Revenues |
|--|--|---|------------------------------|
| ICG Telecom Group, Inc. | \$0 | \$0 | \$0 |
| Integrated Telecommunications Services LLC | \$578,748 | \$0 | \$578,748 |
| Intermedia Communications, Inc. | \$1,600,124 | \$1,151,780 | \$448,344 |
| Ionex Communications South, Inc. | \$59,662 | \$18,757 | \$40,905 |
| ITC Deltacom Communications, Inc. | \$1,396,005 | \$357,988 | \$1,038,017 |
| KMC Data, LLC | \$0 | \$0 | \$0 |
| KMC Telecom III, LLC | \$0 | \$0 | \$0 |
| KMC Telecom V, Inc. | \$0 | \$0 | \$0 |
| Larry Joe Baldwin dba NEA Telecom | \$387,358 | \$0 | \$387,358 |
| Level 3 Communications, LLC | \$20,000 | \$20,000 | \$0 |
| Logix Communications Corporation | \$429,325 | \$94,148 | \$335,177 |
| Maxcess, Inc. | \$0 | \$0 | \$0 |
| Max-Tel Communications, Inc. | \$155,634 | \$0 | \$155,634 |
| McLeodUSA Telecommunications Services | \$1,771,479 | \$712,440 | \$1,059,039 |
| Metro Teleconnect Companies, Inc | \$19,920 | \$2,289 | \$17,631 |
| NationNet Communications Corporation | \$0 | \$0 | \$0 |
| Navigator Telecommunication, LLC | \$5,935,213 | \$741,242 | \$5,193,971 |
| NetworkIP, LLC | \$0 | \$0 | \$0 |
| New Access Communications, LLC | \$0 | \$0 | \$0 |
| New Edge Network, Inc. dba New Edge Networks | \$162,813 | \$162,813 | \$0 |
| Northeast Telecom, Inc. | \$0 | \$0 | \$0 |
| NOS Communications, Inc. dba 011 Communications | \$107,852 | \$0 | \$107,852 |
| NOW Communications, Inc. | \$96,609 | \$773 | \$95,836 |
| NTERA, INC. | \$0 | \$0 | \$0 |
| NuVox Communications of Arkansas, Inc. | \$2,315,690 | \$1,314,853 | \$1,000,837 |
| Omniplex Communications Group, LLC | \$0 | \$0 | \$0 |
| Payroll Advance, Inc. | \$98,100 | \$0 | \$98,100 |
| Phone Remedies, LLC | \$0 | \$0 | \$0 |
| Phone-Link, Inc. | \$0 | \$0 | \$0 |
| Preferred Carrier Services, Inc. | \$690 | \$0 | \$690 |
| Premiere Network Services, Inc. | \$0 | \$0 | \$0 |
| QuantumShift Communications, Inc. | \$55 | \$0 | \$55 |
| Qwest Interprise America, Inc. | \$26,082 | \$26,082 | \$0 |
| Robert's Communications | \$258,965 | \$3,200 | \$255,765 |
| Sage Telecom, Inc. | \$490,164 | \$17,865 | \$472,299 |
| SBC Advanced Solutions, Inc. | \$25,526,924 | \$18,207,149 | \$7,319,775 |
| Snappy Phone of Texas, Inc. | \$137,606 | \$0 | \$137,606 |
| Southern Telcom Network, Inc. dba STN Long Distance | \$0 | \$0 | \$0 |
| Sprint Communications Company, LP | \$13,473,278 | \$0 | \$13,473,278 |
| State Discount Telephone | \$31,800 | \$0 | \$31,800 |
| State Discount Telephone, LLC dba SDT Communications | \$5,329 | \$0 | \$5,329 |

Competitive Local Exchange Carriers (CLEC) - Arkansas Only
Revenues
Year Ended December 31, 2001

| Company | Arkansas Gross Revenues | Less Interstate Revenues | Arkansas Revenues |
|--|--|---|------------------------------|
| Supra Telecommunications and Information Systems, Inc. | \$0 | \$0 | \$0 |
| Suretel, Inc. | \$595,387 | \$0 | \$595,387 |
| Talk America, Inc | \$1,731,846 | \$686,381 | \$1,045,465 |
| TCA Communications, Inc. | \$416,923 | \$0 | \$416,923 |
| Tele-Save | \$33,782 | \$0 | \$33,782 |
| Teligent Services, Inc. | \$23,608 | \$17,003 | \$6,605 |
| Tipton Construction Company of Texas, Inc. | \$0 | \$0 | \$0 |
| dba Advanced Communicating Techniques | \$3,493 | \$0 | \$3,493 |
| Universal Access, Inc. | \$315 | \$315 | \$0 |
| Universal Telecom, Inc dba Universal Communications, Inc | \$13,912 | \$0 | \$13,912 |
| USLD Communications, Inc. | \$155,130 | \$0 | \$155,130 |
| Valuelinx Corporation | \$412,126 | \$0 | \$412,126 |
| Vantage Telecom, LLC dba NewRoads Telecom, Inc. | \$528,846 | \$4,879 | \$523,967 |
| Vartec Telecom, Inc. dba Clear Choice Communications | \$13,530,415 | \$7,313,966 | \$6,216,449 |
| Verizon Select Services, Inc. | \$1,767,671 | \$630,665 | \$1,137,006 |
| World Lynx, LLC | \$0 | \$0 | \$0 |
| Z-Tel Communications, Inc. | \$7,103 | \$6,495 | \$608 |
| TOTALS | \$215,791,758 | \$51,170,505 | \$164,621,253 |

Competitive Local Exchange Carriers (CLEC) - Arkansas Only
Access Lines
Year Ended December 31, 2001

| Company | Residential & Rural | Business | Total |
|--|--------------------------------|-----------------|--------------|
| 1-800-Reconex, Inc. | 62 | 0 | 62 |
| Adelphia Business Solutions Investment, LLC | 0 | 6,523 | 6,523 |
| Advanced TelCom, Inc. dba Advanced Telcom Group, Inc. | 0 | 0 | 0 |
| ALLTEL Communications, Inc. | 5,485 | 39,854 | 45,339 |
| American Communication Services of Little Rock, Inc. dba e.spire | 0 | 0 | 0 |
| Americom, Inc. | 0 | 0 | 0 |
| Annox, Inc. | 8 | 0 | 8 |
| Answer Fort Smith, Inc. | 0 | 0 | 0 |
| Arkansas State Telephone | 0 | 0 | 0 |
| AT&T Communications of the Southwest, Inc. | 0 | 6,295 | 6,295 |
| A-Tech Telecom, Inc. | 21 | 0 | 21 |
| BarTel Communications, Inc. | 22 | 0 | 22 |
| Basic Phone, Inc. | 603 | 6 | 609 |
| Bellsouth BSE, Inc. | 0 | 0 | 0 |
| Big River Telephone Company, LLC | 0 | 0 | 0 |
| Brooks Fiber Communications of Arkansas, Inc. | 0 | 4,079 | 4,079 |
| Business Telecom, Inc. dba BTI Telecommunications Services | 0 | 0 | 0 |
| Buy-Tel Communications, Inc. | 1 | 0 | 1 |
| CAT Communications International, Inc | 522 | 0 | 522 |
| CCCAR, INC. dba Total Connect! | 0 | 0 | 0 |
| CenturyTel Solutions, LLC | 0 | 0 | 0 |
| Choctaw Communications, Inc. dba Smoke Signal Communication | 285 | 0 | 285 |
| Ciera Network Systems, Inc. | 0 | 0 | 0 |
| Comm South Companies, Inc. dba Arkansas Comm South, Inc. | 4,033 | 0 | 4,033 |
| Connect Communications Corporation | 0 | 274 | 274 |
| Credit Loans, Inc. dba Lone Star State Telephone Company | 38 | 0 | 38 |
| Delta Phones, Inc. | 7,198 | 0 | 7,198 |
| Digital Teleport, Inc | 0 | 0 | 0 |
| dPi-Teleconnect, LLC | 1,854 | 0 | 1,854 |
| DSLNet Communciations, Inc. | 0 | 0 | 0 |
| DVC Enterprises, Inc. dba DVC Telecom | 0 | 0 | 0 |
| Essex Communications, Inc. dba eLEC Communications | 0 | 0 | 0 |
| EZ Phone, Inc. | 12 | 0 | 12 |
| EZ Talk Communications, LLC | 431 | 0 | 431 |
| Fairpoint Communications Solutions Corporation | 0 | 0 | 0 |
| Global Crossing Telemanagement, Inc. | 0 | 0 | 0 |
| Go-Tel, Inc. | 2,310 | 0 | 2,310 |
| Group Long Distance, Inc. | 0 | 0 | 0 |
| HJN Telecom, Inc. | 0 | 0 | 0 |
| HomeTel, Inc. | 6,711 | 0 | 6,711 |

Competitive Local Exchange Carriers (CLEC) - Arkansas Only
Access Lines
Year Ended December 31, 2001

| Company | Residential & Rural | Business | Total |
|--|--------------------------------|-----------------|--------------|
| ICG Telecom Group, Inc. | 0 | 0 | 0 |
| Integrated Telecommunications Services LLC | 1,106 | 0 | 1,106 |
| Intermedia Communications, Inc. | 0 | 0 | 0 |
| Ionex Communications South, Inc. | 0 | 0 | 0 |
| ITC Deltacom Communications, Inc. | 0 | 0 | 0 |
| KMC Data, LLC | 0 | 0 | 0 |
| KMC Telecom III, LLC | 0 | 0 | 0 |
| KMC Telecom V, Inc. | 0 | 0 | 0 |
| Larry Joe Baldwin dba NEA Telecom | 850 | 0 | 850 |
| Level 3 Communications, LLC | 0 | 0 | 0 |
| Logix Communications Corporation | 239 | 3,121 | 3,360 |
| Maxcess, Inc. | 0 | 0 | 0 |
| Max-Tel Communications, Inc. | 0 | 0 | 0 |
| McLeodUSA Telecommunications Services | 92 | 1,863 | 1,955 |
| Metro Teleconnect Companies, Inc | 67 | 0 | 67 |
| NationNet Communications Corporation | 0 | 0 | 0 |
| Navigator Telecommunication, LLC | 8,211 | 1,357 | 9,568 |
| NetworkIP, LLC | 0 | 0 | 0 |
| New Access Communications, LLC | 0 | 0 | 0 |
| New Edge Network, Inc. dba New Edge Networks | 0 | 0 | 0 |
| Northeast Telecom, Inc. | 0 | 0 | 0 |
| NOS Communications, Inc. dba 011 Communications | 0 | 0 | 0 |
| NOW Communications, Inc. | 115 | 0 | 115 |
| NTERA, INC. | 0 | 0 | 0 |
| NuVox Communications of Arkansas, Inc. | 0 | 2,798 | 2,798 |
| Omniplex Communications Group, LLC | 0 | 0 | 0 |
| Payroll Advance, Inc. | 371 | 0 | 371 |
| Phone Remedies, LLC | 0 | 0 | 0 |
| Phone-Link, Inc. | 0 | 0 | 0 |
| Preferred Carrier Services, Inc. | 1 | 0 | 1 |
| Premiere Network Services, Inc. | 0 | 0 | 0 |
| QuantumShift Communications, Inc. | 0 | 0 | 0 |
| Qwest Interprise America, Inc. | 0 | 0 | 0 |
| Robert's Communications | 422 | 7 | 429 |
| Sage Telecom, Inc. | 10,048 | 627 | 10,675 |
| SBC Advanced Solutions, Inc. | 0 | 0 | 0 |
| Snappy Phone of Texas, Inc. | 705 | 0 | 705 |
| Southern Telcom Network, Inc. dba STN Long Distance | 0 | 0 | 0 |
| Sprint Communications Company, LP | 0 | 0 | 0 |
| State Discount Telephone | 0 | 0 | 0 |
| State Discount Telephone, LLC dba SDT Communications | 4 | 0 | 4 |

Competitive Local Exchange Carriers (CLEC) - Arkansas Only
Access Lines
Year Ended December 31, 2001

| Company | Residential & Rural | Business | Total |
|---|--------------------------------|-----------------|----------------|
| Supra Telecommunications and Information Systems, Inc. | 0 | 0 | 0 |
| Suretel, Inc. | 838 | 0 | 838 |
| Talk America, Inc | 0 | 0 | 0 |
| TCA Communications, Inc. | 0 | 0 | 0 |
| Tele-Save | 139 | 0 | 139 |
| Teligent Services, Inc. | 0 | 0 | 0 |
| Tipton Construction Company of Texas, Inc. | 0 | 0 | 0 |
| dba Advanced Communicating Techniques | 4 | 0 | 4 |
| Universal Access, Inc. | 0 | 0 | 0 |
| Universal Telecom, Inc dba Universal Communications, Inc. | 27 | 0 | 27 |
| USLD Communications, Inc. | 0 | 0 | 0 |
| Valuelinx Corporation | 0 | 0 | 0 |
| Vantage Telecom, LLC dba NewRoads Telecom, Inc. | 31 | 91 | 122 |
| Vartec Telecom, Inc. dba Clear Choice Communications | 7 | 0 | 7 |
| Verizon Select Services, Inc. | 0 | 0 | 0 |
| World Lynx, LLC | 0 | 0 | 0 |
| Z-Tel Communications, Inc. | 0 | 0 | 0 |
| TOTALS | 52,873 | 66,895 | 119,768 |

**Interexchange Carriers (IXC)
Private Pay Telephone Providers (PPTP)
Arkansas Revenues; System Revenues
Year Ended December 31, 2001**

| Company | Arkansas Revenues | System Revenues | Ratio (%) Ark./System Revenues |
|--|------------------------------|----------------------------|---|
| 01 Communications of Arkansas , LLC | \$0 | \$0 | 0.00% |
| A.R.C. Networks, Inc. | \$6 | \$26,322,993 | 0.00% |
| A South Pay Phones | \$2,313 | \$2,313 | 100.00% |
| ACC National Long Distance Corp. | \$18 | \$0 | 0.00% |
| Access One, Inc. | \$8,366 | \$12,654,419 | 0.07% |
| Access Point, Inc. | \$5,260 | \$26,964,475 | 0.02% |
| ACN Communication Services, Inc. | \$80,377 | \$47,383,918 | 0.17% |
| Adelphia Telecommunications, Inc. | \$522 | \$1,165 | 44.81% |
| Advanced Communications, Inc. dba Advanced Payphones | \$12,578 | \$131,961 | 9.53% |
| Advanced Tel, Inc. dba Eatel | \$0 | \$9,302,009 | 0.00% |
| Advantage Telecommunications Corporation | \$168,825 | \$422,063 | 40.00% |
| Affinity Network, Inc. dba Horizon One Communications | \$92 | \$1,197,970 | 0.01% |
| Airnex Communications, Inc. | \$2,905 | \$26,875 | 10.81% |
| Alliance Group Services, Inc. | \$34,066 | \$28,407,281 | 0.12% |
| Alpha Tel-Com, Inc. dba ATI Communications, Inc. | \$0 | \$7,508,376 | 0.00% |
| Alternate Communications Technology, Inc. dba ACT | \$0 | \$733,358 | 0.00% |
| American Farm Bureau, Inc. dba The Farm Bureau® Connection | \$205,314 | \$7,664,980 | 2.68% |
| American Long Lines, Inc. | \$435 | \$23,387,459 | 0.00% |
| American Telecommunications Systems, Inc. | \$5,717 | \$1,096,437 | 0.52% |
| America's Digital Satellite Telephone | \$0 | \$0 | 0.00% |
| Americatel Corporation dba 10123 Americatel | \$9,098 | \$722,599 | 1.26% |
| Amerivision Communications, Inc. dba Lifeline Communications, Inc. | \$425,110 | \$72,322,533 | 0.59% |
| Arkansas Payphones, Inc. | \$44,328 | \$0 | 0.00% |
| Artech, LLC | \$11,241 | \$12,490 | 90.00% |
| ASC Telecom, Inc. | \$144,898 | \$88,781,879 | 0.16% |
| Association Administrators, Inc. | \$832 | \$3,980 | 20.90% |
| Atlas Communciations, LTD dba Atcom | \$1,755 | \$8,828 | 19.88% |
| Axcas, Inc. dba Axcas International | \$7,518 | \$1,491,519 | 0.50% |
| BAK Communications, LLC | \$0 | \$0 | 0.00% |
| BCGI Communications Corporation | \$0 | \$0 | 0.00% |
| Bell Atlantic Communications, Inc. dba Verizon Long Distance | \$776,450 | \$863,625,538 | 0.09% |
| Bellsouth Long Distance, Inc. | \$0 | \$0 | 0.00% |
| Big Planet Holdings, Inc | \$4,437 | \$10,259,925 | 0.04% |
| Blackstone Communications Company | \$0 | \$0 | 0.00% |
| BridgeCom International, Inc. | \$0 | \$48,945,485 | 0.00% |
| Broadwing Communications Services, Inc. | \$0 | \$2,247,269 | 0.00% |
| Broadwing Telecommunications, Inc. | \$1,077,785 | \$2,207,846 | 48.82% |
| Budget Call Long Distance, Inc. | \$0 | \$7,208,088 | 0.00% |
| Buehner-Fry, Inc. dba Resort Operator | \$425 | \$5,320,854 | 0.01% |
| Business Discount Plan, Inc. | \$99,161 | \$17,554,000 | 0.56% |
| Buyers United International, Inc. | \$28,349 | \$0 | 0.00% |

**Interexchange Carriers (IXC)
Private Pay Telephone Providers (PPTP)
Arkansas Revenues; System Revenues
Year Ended December 31, 2001**

| Company | Arkansas Revenues | System Revenues | Ratio (%) Ark./System Revenues |
|--|------------------------------|----------------------------|---|
| Cable & Wireless Global Card Services | \$0 | \$0 | 0.00% |
| Cable & Wireless USA, Inc | \$277,779 | \$450,423 | 61.67% |
| Call Processing, Inc. | \$141,464 | \$6,458,383 | 2.19% |
| Call West Communications, Inc. | \$822 | \$32,885 | 2.50% |
| Capsule Communications, Inc. | \$13,863 | \$0 | 0.00% |
| Carol Canada | \$1,867 | \$1,867 | 100.00% |
| Casco Pay Phones | \$9,089 | \$541,500 | 1.68% |
| CenturyTel Long Distance, Inc. | \$8,728,203 | \$116,818,568 | 7.47% |
| CFL, L.L.C. dba CFL Payphones | \$1,989 | \$6,097 | 32.62% |
| Cinemark USA, Inc. | \$3,378 | \$3,378 | 100.00% |
| Citizens Telecommunications Company dba Citizens Long Distance Company | \$1,184 | \$83,072,295 | 0.00% |
| City of Faith Prison Ministries, Inc | \$905 | \$905 | 100.00% |
| City Tele Coin Company, Inc | \$0 | \$0 | 0.00% |
| Claricom Networks, Inc. dba Staples Communications Networks | \$9,335 | \$25,419,841 | 0.04% |
| Coast International, Inc. | \$2,513 | \$2,442,128 | 0.10% |
| Cole Davis | \$1,308 | \$1,497 | 87.37% |
| Coleman Enterprises, Inc. dba Local Long Distance | \$6,662 | \$17,756 | 37.52% |
| Combined Billing Corporation | \$64,064 | \$1,710,197 | 3.75% |
| Comcast Business Communications, Inc. dba Comcast Long Distance | \$3,316 | \$22,381,704 | 0.01% |
| Comdata Telecommunications Services | \$83,831 | \$144,084 | 58.18% |
| Communicate Technological Systems, LLC | \$5,882 | \$2,585,268 | 0.23% |
| Communications Billing, Inc. | \$6,868 | \$0 | 0.00% |
| CommuniGroup of Arkansas, Inc. | \$662,084 | \$1,144,948 | 57.83% |
| CommuniGroup of K.C., Inc. dba CGI | \$25,636 | \$19,551,565 | 0.13% |
| Comtech 21, LLC | \$3,034 | \$3,923,963 | 0.08% |
| Com-Tech Resources, Inc. dba Com-Tech Systems | \$41,546 | \$6,585,747 | 0.63% |
| Comtel Network, LLC | \$1,609 | \$1,609 | 100.00% |
| Concert Communications Sales, LLC | \$0 | \$2,205,414,798 | 0.00% |
| Connect America Communications, Inc. | \$133 | \$3,047,398 | 0.00% |
| Connect ! LD, Inc. | \$47,394 | \$47,733 | 99.29% |
| Connie West | \$3,314 | \$0 | 0.00% |
| Consolidated Billing Provider, LLC | \$7,799 | \$22,112 | 35.27% |
| Covista Communications, Inc. | \$7,640 | \$20,281 | 37.67% |
| CTC Communications Corporation | \$806 | \$271,427,458 | 0.00% |
| Custom Teleconnect, Inc. | \$12,898 | \$16,518,323 | 0.08% |
| D.D.D. Calling, Inc. | \$97 | \$142,995 | 0.07% |
| Dewey Pruitt | \$1,626 | \$2,640 | 61.59% |
| Dial-Thru, Inc. | \$156 | \$4,420 | 3.53% |
| Direct One, L.L.C. dba One Rate L.D. | \$0 | \$0 | 0.00% |
| E. Ritter Long Distance, Inc. dba Ritter Long Distance, Inc | \$107,458 | \$435,860 | 24.65% |
| Eastern Telecommunications, Inc. | \$0 | \$0 | 0.00% |

**Interexchange Carriers (IXC)
Private Pay Telephone Providers (PPTP)
Arkansas Revenues; System Revenues
Year Ended December 31, 2001**

| Company | Arkansas Revenues | System Revenues | Ratio (%) Ark./System Revenues |
|--|------------------------------|----------------------------|---|
| Electric Lightwave, Inc. | \$5,300 | \$208,960,883 | 0.00% |
| eMeritus Communications, Inc. | \$553,073 | \$109,995,552 | 0.50% |
| Encompass Communications, LLC | \$265,324 | \$17,915,130 | 1.48% |
| Enhanced Communications Group, LLC | \$27,448 | \$64,605 | 42.49% |
| Enhanced Communications Network, Inc. | \$0 | \$0 | 0.00% |
| ETS Payphones, Inc. | \$59,594 | \$39,607,994 | 0.15% |
| Evercom Systems, Inc. | \$1,311,675 | \$244,935,573 | 0.54% |
| Excel Telecommunications, Inc. | \$5,286,916 | \$610,573,951 | 0.87% |
| Eztel Network Services, LLC | \$110,862 | \$183,851 | 60.30% |
| Foxtel, Inc. | \$4 | \$1,021,446 | 0.00% |
| Free Network, L.L.C., The | \$3,126 | \$3,019,183 | 0.10% |
| Freedomstarr Communications, Inc. dba iPhonebill.com | \$2,157 | \$0 | 0.00% |
| Frontier Communications of America, Inc. | \$0 | \$59,327,773 | 0.00% |
| Gates Communications, Inc. | \$13,312 | \$40,293 | 33.04% |
| GE Business Productivity Solutions, Inc., dba GE Capital Communications Services Corp. | \$38,071 | \$35,105,030 | 0.11% |
| Global Crest Communications, Inc. dba Dimensions | \$0 | \$0 | 0.00% |
| Global Crossing North American Networks, Inc. | \$0 | \$0 | 0.00% |
| Global Crossing Telecommunications, Inc. | \$493,171 | \$816,640,387 | 0.06% |
| Global Tel*Link Corporation | \$914,012 | \$1,136,309 | 80.44% |
| Globalcom, Inc. | \$26,250 | \$24,066,227 | 0.11% |
| Glyphics Communications, Inc. | \$28,683 | \$0 | 0.00% |
| GTC Telecom | \$6,340 | \$14,889,743 | 0.04% |
| GVC Telecommunications Consulting | \$0 | \$0 | 0.00% |
| Horton Communications | \$469 | \$469 | 100.00% |
| ICG Telecom Group, Inc. | \$0 | \$128,908,339 | 0.00% |
| IDT America Corporation | \$240,324 | \$509,138,777 | 0.05% |
| I-Link Communications, Inc. | \$3,908 | \$3,604,647 | 0.11% |
| Incomnet Communications Corporation | \$10,374 | \$14,271,670 | 0.07% |
| Intellicall Operator Services, Inc. | \$495,605 | \$114,372,124 | 0.43% |
| Intercontinental Communications Group, Inc. dba Fusion Telecom | \$144 | \$0 | 0.00% |
| International Exchange Communications, Inc dba IE Com | \$0 | \$0 | 0.00% |
| Interstate Telecommunications of Georgia, Inc. | \$12,679 | \$47,960 | 26.44% |
| Jack L. Hunter | \$112,347 | \$112,347 | 100.00% |
| James Michael Church Payphones dba JMC Payphones | \$3,344 | \$3,732 | 89.60% |
| Jirehcom, Inc. | \$9,779 | \$768,614 | 1.27% |
| KDD America, Inc. | \$48 | \$2,014 | 2.38% |
| LCI International Telecom Corporation | \$784,700 | \$0 | 0.00% |
| LCR Telecommunications, LLC | \$77,429 | \$242,757 | 31.90% |
| LD Exchange.Com, Inc. | \$0 | \$0 | 0.00% |
| Least Cost Routing, Inc. | \$83,219 | \$13,003,115 | 0.64% |
| Legacy Long Distance International, Inc. | \$22,079 | \$2,242,972 | 0.98% |

**Interexchange Carriers (IXC)
Private Pay Telephone Providers (PPTP)
Arkansas Revenues; System Revenues
Year Ended December 31, 2001**

| Company | Arkansas Revenues | System Revenues | Ratio (%) Ark./System Revenues |
|--|------------------------------|----------------------------|---|
| Lightyear Communications, Inc | \$204,468 | \$157,040,379 | 0.13% |
| Lightyear Telecommunications, LLC | \$238 | \$34,646,911 | 0.00% |
| Local Telcom Holdings, LLC | \$296 | \$937,266 | 0.03% |
| Long Distance Consolidated Billing Co. | \$2,962 | \$6,562 | 45.14% |
| Long Distance of Michigan, Inc dba LDMI Telecommunications | \$2,248 | \$72,196,038 | 0.00% |
| Long Distance Wholesale Club | \$0 | \$0 | 0.00% |
| Lotel, Inc. dba Coordinated Billing Services | \$3,359 | \$5,257,338 | 0.06% |
| Main Street Telephone Company | \$0 | \$0 | 0.00% |
| Matrix Telecom | \$5,196 | \$18,597,231 | 0.03% |
| Maxtel USA, Inc. | \$146 | \$153 | 95.42% |
| MCI Worldcom Communications, Inc. | \$49,801,600 | \$120,847,916 | 41.21% |
| MCI Worldcom Network Services, Inc. | \$1,877,959 | \$3,274,360 | 57.35% |
| Mercury Long Distance, Inc. | \$0 | \$0 | 0.00% |
| Midessa Communications Management Systems, Inc. | \$50,000 | \$1,300,000 | 3.85% |
| Miko Telephone Communications, Inc. | \$0 | \$0 | 0.00% |
| NATCO Technologies, Inc. | \$0 | \$0 | 0.00% |
| Natel, LLC | \$0 | \$0 | 0.00% |
| National Accounts, Inc. | \$19,815 | \$4,935,455 | 0.40% |
| National Telephone Company, LLC | \$0 | \$0 | 0.00% |
| Net One International, Inc. | \$1,672 | \$23,927 | 6.99% |
| Netlojix Telecom, Inc. | \$0 | \$0 | 0.00% |
| Network Billing Systems, LLC | \$6,894 | \$5,937,382 | 0.12% |
| Network Communications International Corp. | \$131,790 | \$38,368,410 | 0.34% |
| Network Operator Services, Inc. | \$72,752 | \$10,065,411 | 0.72% |
| Network Plus, Inc. | \$29,137 | \$296,420,541 | 0.01% |
| Network Services Group, Inc. | \$43,077 | \$87,642 | 49.15% |
| Network US, Inc. dba CA Affinity | \$2,990 | \$4,877,408 | 0.06% |
| New Century Telecom, Inc. | \$0 | \$144,311 | 0.00% |
| Norstan Network Services, Inc. | \$1,493 | \$4,740 | 31.50% |
| NOSVA Limited Partnership dba CierraCom Systems | \$1,355,423 | \$235,635,724 | 0.58% |
| NYNEX Long Distance Company dba Verizon Enterprise Solutions | \$11 | \$54,357,530 | 0.00% |
| NXLD Company | \$58 | \$0 | 0.00% |
| Omnicall, Inc. | \$8 | \$4,933,596 | 0.00% |
| One Call Communications | \$158,664 | \$84,058,409 | 0.19% |
| Onestar Long Distance, Inc. | \$8,993 | \$56,775,976 | 0.02% |
| Operator Communications, Inc. dba Oncor Communications, Inc. | \$3,212 | \$5,559,124 | 0.06% |
| Operator Service Company | \$3,909 | \$15,264,234 | 0.03% |
| OPEX Communications, Inc. | \$86,746 | \$22,733,494 | 0.38% |
| Optical Telephone Corporation | \$8,416 | \$3,705,835 | 0.23% |
| Paetec Communciation, Inc. | \$657 | \$188,891,872 | 0.00% |
| Parker A. & Sandra J. Devore, Inc. | \$159,465 | \$256,488 | 62.17% |

**Interexchange Carriers (IXC)
Private Pay Telephone Providers (PPTP)
Arkansas Revenues; System Revenues
Year Ended December 31, 2001**

| Company | Arkansas Revenues | System Revenues | Ratio (%) Ark./System Revenues |
|---|------------------------------|----------------------------|---|
| Paytel, Inc. | \$295 | \$2,115 | 13.95% |
| PDS, Inc. dba Phone Debit Systems, Inc. | \$1,826 | \$1,149,493 | 0.16% |
| Penny R. Hinson dba H & H Communications | \$505 | \$505 | 100.00% |
| PF.Net Network Services Corporation | \$10,575 | \$5,990,032 | 0.18% |
| Phoenix Network, Inc. | \$1,315 | \$0 | 0.00% |
| Phonetel Technologies, Inc. | \$88,260 | \$26,940,607 | 0.33% |
| PNG Telecommunications, Inc. dba PowerNet Global Communications | \$198,526 | \$60,945,741 | 0.33% |
| Power-Finder West Communications, LLC | \$0 | \$0 | 0.00% |
| Premiere Communications, Inc. | \$23,314 | \$23,596,587 | 0.10% |
| Primus Telecommunications, Inc. | \$12,788 | \$256,885,657 | 0.00% |
| Promise-Net International, LTD | \$3,859 | \$975,702 | 0.40% |
| Promisevision Technology, Inc. | \$4,828 | \$6,244 | 77.32% |
| PT-1 Communications | \$0 | \$0 | 0.00% |
| PT-1 Long Distance, Inc. | \$482 | \$8,031 | 6.00% |
| QCC, Inc | \$4,061 | \$866,187 | 0.47% |
| Qwest Communications Corporation | \$1,361,350 | \$0 | 0.00% |
| QX Telecom LLC | \$18,297 | \$5,832,503 | 0.31% |
| Ray A. Beirle dba Reliable Communications | \$66,693 | \$195,581 | 34.10% |
| Raymond and Pamela Ryba | \$19 | \$26 | 73.08% |
| RCN Telecom Services, Inc. | \$593 | \$593 | 100.00% |
| Reduced Rate Long Distance, LLC | \$35,201 | \$1,535,042 | 2.29% |
| Ronnie L. and Piper P. Erwin | \$5,313 | \$5,313 | 100.00% |
| RRV Enterprise, Inc. dba Consumer Access | \$0 | \$7,619,464 | 0.00% |
| RSL Com USA, Inc. | \$39,914 | \$150,663,486 | 0.03% |
| Single Billing Services, Inc. dba Asian American Association | \$2,157 | \$10,003,426 | 0.02% |
| Skokos, Douglas K. dba Diller Payphone | \$1,560 | \$1,560 | 100.00% |
| Smartstop, Inc. | \$6,756 | \$8,305,255 | 0.08% |
| Smart Way, Inc. | \$50 | \$367 | 13.62% |
| Sonix4U, Inc | \$236 | \$68,008 | 0.35% |
| Southwestern Bell Communications Services, Inc. dba Nevada Bell Long Distance | \$155,258 | \$419,854,514 | 0.04% |
| Special Accounts Billing Group, Inc. | \$0 | \$0 | 0.00% |
| Sprint Payphone Services, Inc. | \$46,984 | \$60,148,418 | 0.08% |
| Startec Global Licensing Company | \$1,354 | \$6,218,517 | 0.02% |
| TDI Communications, Inc. | \$0 | \$0 | 0.00% |
| TDS Long Distance Corp. | \$187,000 | \$22,051,000 | 0.85% |
| Telaleasing Enterprises, Inc. | \$577,286 | \$75,026,334 | 0.77% |
| Telco Partners, Inc. | \$0 | \$0 | 0.00% |
| Telcorp, Ltd. | \$403 | \$1,373 | 29.35% |
| Telecare, Inc. | \$39 | \$3,657,768 | 0.00% |
| Telecents Communications, Inc. | \$1,267 | \$6,405 | 19.78% |
| TelecomEZ Corporation | \$0 | \$0 | 0.00% |

**Interexchange Carriers (IXC)
Private Pay Telephone Providers (PPTP)
Arkansas Revenues; System Revenues
Year Ended December 31, 2001**

| Company | Arkansas Revenues | System Revenues | Ratio (%) Ark/System Revenues |
|--|------------------------------|----------------------------|--|
| Telecommunications Cooperative Network, Inc. | \$1,189 | \$1,413,525 | 0.08% |
| Telecommunications Resources of Missouri | \$13,306 | \$3,371,443 | 0.39% |
| Teleconnect Long Distance Services and System Company dba Telcom*USA | \$2,792,548 | \$6,904,252 | 40.45% |
| Tele-Connect, Inc. | \$2,815 | \$3,961,053 | 0.07% |
| Telefyne Incorporated | \$0 | \$0 | 0.00% |
| Telegenius, Inc. | \$3,760 | \$372,270 | 1.01% |
| Teleglobe USA, Inc. | \$0 | \$0 | 0.00% |
| Telephone Associates, Inc. | \$0 | \$0 | 0.00% |
| Telephone Company of Central Florida | \$716 | \$2,503 | 28.61% |
| Teletrust, Inc. | \$648,144 | \$4,124,831 | 15.71% |
| Telmex USA, LLC | \$0 | \$0 | 0.00% |
| Texas Inmate Phones Communications | \$33,111 | \$0 | 0.00% |
| TLX Communications, Inc. dba Tel America Long Distance Service | \$4,194 | \$9,661,972 | 0.04% |
| T-Netix Internet Services, Inc. | \$0 | \$0 | 0.00% |
| T-Netix, Inc. | \$0 | \$0 | 0.00% |
| T-Netix Telecommunications Services, Inc. | \$555,560 | \$21,406,829 | 2.60% |
| Ton Services, Inc. | \$13,328 | \$615,645 | 2.16% |
| Total Call International, Inc. | \$0 | \$0 | 0.00% |
| Touch 1 Communications, Inc. | \$64,104 | \$293,504 | 21.84% |
| Touch America, Inc. | \$3,669 | \$536,239,744 | 0.00% |
| Trans National Communications International, Inc. | \$9,076 | \$21,616 | 41.99% |
| Transcommunications Incorporated | \$71,031 | \$6,309,050 | 1.13% |
| Tri-M Communications dba TMC Communications | \$1,834 | \$6,711 | 27.33% |
| TTI National, Inc. | \$618,858 | \$1,212,785 | 51.03% |
| UKI Communications, Inc. | \$322 | \$14,651,036 | 0.00% |
| United Communications Hub, Inc. | \$770 | \$80,318 | 0.96% |
| United States Advanced Network, Inc. | \$976 | \$36,577,398 | 0.00% |
| United Systems Access Telecom, Inc. | \$1,891 | \$8,245 | 22.94% |
| Uni-Tel Communications Group, Inc. | \$26,979 | \$4,157,582 | 0.65% |
| Unity Communications, Inc. | \$76,975 | \$7,836,637 | 0.98% |
| Univance Telecommunications, Inc. | \$6,611 | \$23,082,620 | 0.03% |
| US South Communications, Inc. dba Incomm | \$20 | \$20 | 100.00% |
| US West Long Distance, Inc. | \$841 | \$3,190,427 | 0.03% |
| USA Digital Communications, Inc. | \$7,520 | \$3,672,188 | 0.20% |
| Valor Telecommunications LD, LLC | \$64,259 | \$7,173,643 | 0.90% |
| W2COM International, LLC | \$0 | \$0 | 0.00% |
| Webnet Communications | \$285,596 | \$17,961,809 | 1.59% |
| Westel, Inc. | \$6,623 | \$15,350,472 | 0.04% |
| Williams Communications, LLC | \$170,577 | \$1,185,521,000 | 0.01% |
| Working Assets Long Distance | \$40,078 | \$184,357 | 21.74% |
| World Communications Satellite Systems, Inc. | \$4,565 | \$3,501,151 | 0.13% |

**Interexchange Carriers (IXC)
Private Pay Telephone Providers (PPTP)
Arkansas Revenues; System Revenues
Year Ended December 31, 2001**

| Company | Arkansas Revenues | System Revenues | Ratio (%) Ark./System Revenues |
|--|------------------------------|----------------------------|---|
| Worldxchange Corporation | \$37,493 | \$47,160,865 | 0.08% |
| X2Comm, Inc. dba Direct Connect Communications | \$0 | \$0 | 0.00% |
| XO Long Distance Services, Inc. | \$7,883 | \$35,834 | 22.00% |
| Zenex Long Distance, Inc. | \$16,087 | \$3,623,478 | 0.44% |
| Zone Telecom, Inc. | \$7,856 | \$14,561,208 | 0.05% |
| TOTALS | \$86,950,682 | \$11,658,456,516 | 0.75% |

Water & Sewer Companies - Arkansas Only
Plant Investment; Operating Revenues
Year Ended December 31, 2001

| Company | Plant Investment | Operating Revenues | Ratio (%) Operating Revenues/Investment |
|---------------------------------------|-------------------------|---------------------------|--|
| Central Arkansas Sewer Systems | \$2,392,543 | \$494,054 | 20.65% |
| Riviera Utilities of Arkansas | \$1,564,411 | \$280,328 | 17.92% |
| Sebastian Lake Public Utility Company | \$102,589 | \$67,205 | 65.51% |
| Shumaker Public Service Corporation | \$717,813 | \$315,656 | 43.97% |
| United Water Arkansas | \$34,616,056 | \$7,526,375 | 21.74% |
| TOTALS | \$39,393,412 | \$8,683,618 | 22.04% |

Water & Sewer Companies - Arkansas Only
Customers; Revenues
Year Ended December 31, 2001

| Company | No. of Customers | Revenues | Average Revenues Per Customer |
|--|-------------------------|-----------------|--|
| Central Arkansas Sewer System, Inc. | | | |
| Metered General | 0 | \$0 | \$0 |
| Unmetered General | 1,329 | \$494,054 | \$372 |
| Fire Protection | 0 | \$0 | \$0 |
| Other Customers | 0 | \$0 | \$0 |
| <i>Totals Without Other Revenues</i> | 1,329 | \$494,054 | \$372 |
| Other Revenues | N/A | \$0 | N/A |
| TOTALS | 1,329 | \$494,054 | N/A |
| Riviera Utilities of Arkansas | | | |
| Metered General | 526 | \$197,369 | \$375 |
| Unmetered General | 1,465 | \$74,170 | \$51 |
| Fire Protection | 0 | \$0 | \$0 |
| Other Customers | 0 | \$0 | \$0 |
| <i>Totals Without Other Revenues</i> | 1,991 | \$271,539 | \$136 |
| Other Revenues | N/A | \$8,789 | N/A |
| TOTALS | 1,991 | \$280,328 | N/A |
| Sebastian Lake Public Utility Company | | | |
| Metered General | 90 | \$67,205 | \$747 |
| Unmetered General | 0 | \$0 | \$0 |
| Fire Protection | 0 | \$0 | \$0 |
| Other Customers | 0 | \$0 | \$0 |
| <i>Totals Without Other Revenues</i> | 90 | \$67,205 | \$747 |
| Other Revenues | N/A | \$0 | N/A |
| TOTALS | 90 | \$67,205 | N/A |

**Water & Sewer Companies - Arkansas Only
Customers; Revenues
Year Ended December 31, 2001**

| Company | No. of Customers | Revenues | Average Revenues Per Customer |
|---|-------------------------|-----------------|--|
| Shumaker Public Service Corporation | | | |
| Metered General | 533 | \$138,062 | \$259 |
| Unmetered General | 0 | \$0 | \$0 |
| Fire Protection | 50 | \$63,180 | \$1,264 |
| Other Customers | 2 | \$109,277 | \$54,639 |
| <i>Totals Without Other Revenues</i> | 585 | \$310,519 | \$531 |
| Other Revenues | N/A | \$5,137 | N/A |
| TOTALS | 585 | \$315,656 | N/A |
| United Water Arkansas | | | |
| Metered General | 18,881 | \$7,159,340 | \$379 |
| Unmetered General | 0 | \$0 | \$0 |
| Fire Protection | 154 | \$76,564 | \$497 |
| Other Customers | 1 | \$163,889 | \$163,889 |
| <i>Totals Without Other Revenues</i> | 19,036 | \$7,399,793 | \$389 |
| Other Revenues | N/A | \$126,582 | N/A |
| TOTALS | 19,036 | \$7,526,375 | N/A |
| <i>Industry Totals Without Other Revenues</i> | 23,031 | \$8,543,110 | \$371 |
| INDUSTRY TOTALS | 23,031 | \$8,683,618 | N/A |

APPENDIX C - RECEIPTS AND DISBURSEMENTS

RECEIPTS

| | |
|-------------------------------------|----------------------------------|
| Utility Assessments | \$7,123,873.00 |
| Pipeline Safety Assessments | \$577,865.00 |
| Other Filing Fees | \$594,476.00 |
| Federal Reimbursements | \$230,701.00 |
| Refund to Expenditures-Prior Year | \$283.27 |
| Refund to Expenditures-Current Year | <u>\$4,157.46</u> |
| Total Receipts | \$8,531,355.73 |
| Less 1.5% Treasury Fees | \$126,335.00 |
| Net Deposit | <u>\$8,405,020.73</u> |

DISBURSEMENTS

| | |
|-----------------------------------|----------------|
| Regular Salaries | \$5,093,629.47 |
| Group Insurance | \$299,599.31 |
| Retirement | \$485,823.73 |
| Federal Insurance Contributions | \$372,863.65 |
| FICA-Agency Cost of Arcap | \$21,676.06 |
| Postage | \$14,000.00 |
| Freight | \$5,456.38 |
| Printing | \$511.04 |
| Advertising & Clipping Service | \$3,742.71 |
| Film Processing | \$46.51 |
| Building Maintenance | \$2,965.16 |
| Furniture & Equipment Maintenance | \$4,685.65 |
| Vehicle Maintenance | \$4,717.36 |
| Rent of Office Space | \$349,500.00 |
| Rent of Furniture & Equipment | \$59,845.60 |
| Rent/Lease of Pagers | \$713.68 |
| Rent Not Classified | \$18,757.78 |
| Meals & Lodging | \$105,079.56 |
| Mileage | \$783.02 |
| Common Carrier | \$47,061.02 |
| Other Travel | \$5,484.96 |
| Commissioner Travel | \$29,966.92 |

| | |
|--------------------------------------|----------------------------------|
| Educational Fees | \$41,026.20 |
| Administrative Fees & Services | \$331,385.85 |
| Reimbursable Expenditures | \$8,021.80 |
| Legal Fees | \$20,730.51 |
| Surety Bonds | \$99.95 |
| Vehicle Insurance | \$12,519.00 |
| Building & Contents Insurance | \$2,122.00 |
| Centrex | \$75,631.22 |
| Association Dues | \$36,996.00 |
| Marketing & Redistribution Fees | \$30.00 |
| Contract Labor | \$3,175.53 |
| Vehicle Licenses | \$367.00 |
| Credit Card Purchases | \$7,931.50 |
| Stationary & Office Supplies | \$41,990.17 |
| Subscriptions & Publications | \$40,199.26 |
| Microfiche | \$841.40 |
| Clothing | \$174.12 |
| Kitchen/Janitorial Supplies | \$1,674.12 |
| Data Processing Supplies | \$12,334.45 |
| Purchase of Data Processing Software | \$41,310.87 |
| Licenses and Permits | \$2,615.00 |
| Workers Compensation Premium Tax | \$2,104.28 |
| Major Repairs/Renovations | \$24,045.34 |
| Capital Expenditures | <u>\$181,904.42</u> |
| Total Disbursements | <u>\$7,816,139.56</u> |

THE ARKANSAS PUBLIC SERVICE COMMISSION DOES NOT DISCRIMINATE ON THE BASIS OF
RACE, COLOR, NATIONAL ORIGIN, SEX, RELIGION, AGE OR DISABILITY IN EMPLOYMENT